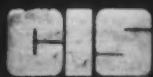


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**NOMINATIONS OF CHARLES E. HESS, FRANKLIN E.
BAILEY, ALAN CHARLES RAUL, AND JO ANN D.
SMITH**

HEARING

BEFORE THE

**COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY
UNITED STATES SENATE**

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

ON

THE NOMINATIONS OF CHARLES E. HESS, OF CALIFORNIA, TO BE ASSISTANT SECRETARY FOR SCIENCE AND EDUCATION; FRANKLIN E. BAILEY, OF VIRGINIA, TO BE ASSISTANT SECRETARY FOR CONGRESSIONAL AFFAIRS; ALAN CHARLES RAUL, OF NEW YORK, TO BE GENERAL COUNSEL TO THE DEPARTMENT OF AGRICULTURE; JO ANN D. SMITH, OF FLORIDA, TO BE ASSISTANT SECRETARY FOR MARKETING AND INSPECTION SERVICES

MAY 12, 1989

Printed for the use of the
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**NOMINATIONS OF CHARLES E. HESS, FRANKLIN
E. BAILEY, ALAN CHARLES RAUL, AND JO
ANN D. SMITH**

FRIDAY, MAY 12, 1989

U.S. SENATE,
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, DC.

The committee met, pursuant to notice, at 10:05 a.m., in SR-332, Russell Senate Office Building, Hon. Patrick J. Leahy (chairman of the committee) presiding.

Present or submitting a statement: Senators Leahy, Conrad, Baucus, Kerrey, Cochran, and Gorton.

Also submitting a statement: Senator Connie Mack and Representatives Vic Fazio, Tom Lewis, and Cliff Stearns.

**STATEMENT OF HON. PATRICK J. LEAHY, A U.S. SENATOR FROM
VERMONT**

The CHAIRMAN. Good morning. The committee on Agriculture, Nutrition, and Forestry will be in order. Senator Lugar, who is interested in these hearings, is absent because of his senior role on foreign relations. He is tied up over in foreign relations on the FSX debate and asked me to extend his compliments to the nominees.

These are very important posts. I will look carefully at the background papers of these individuals and study their testimony while the committee considers their nominations and I encourage my colleagues to do the same. And certainly today's record will be kept open until the close of business for any Senator who wishes to submit a statement.

Mr. Franklin Bailey has been nominated to take the position as Assistant Secretary of Agriculture for Congressional Affairs. Congress and staff rely heavily on the individual in this office. It is imperative that we be given complete and timely access to all USDA resources.

Dr. Charles Hess has been nominated to take the position of Assistant Secretary of Agriculture for Science and Education. The challenges for that new Assistant Secretary are great. We need an Assistant Secretary to set new priorities for agricultural sciences that include low-inputs to the state of agriculture and biotechnology. And we need an Assistant Secretary to revitalize our Extension Service. Information generated by the research we conduct is useless, if it does not make it out to the field, literally and figuratively.

Mr. Alan Charles Raul has been nominated to take the position of General Counsel. That is a position where the person advises the Secretary in what he can and what he cannot legally do. Much like we in Congress try to do. A strong General Counsel's office is crucial to the proper functioning of the Department. The General Counsel's office must always be willing to tell the Secretary things he does not want to hear in order to protect the Secretary and the agency from hasty unjustified actions. That is the person who, if anybody is going to kill the messenger, he is usually the one. You have something to look forward to, Mr. Raul.

But I think Secretary Yeutter would agree with me, he does not need somebody to come in and tell him he can do things. He needs somebody to come in and tell him when he cannot do something.

Jo Ann Smith has been nominated to take the position of Assistant Secretary for Marketing and Inspection Services. Food safety is on everyone's mind these days. We have heard it at all of our hearings around the country, and I hear it at home. The Assistant Secretary for Marketing and Inspection Services has to work hard over the next few years to reestablish consumer confidence in our food supply. Among other duties this individual must oversee the regulation of agriculture biotechnology to ensure that no harm comes to our environment from releases of biotech organisms.

So I look forward to hearing all the testimony. I yield to my good friend, the senior Senator from Mississippi.

STATEMENT OF HON. THAD COCHRAN, A U.S. SENATOR FROM MISSISSIPPI

Senator COCHRAN. Mr. Chairman, thank you very much. I am glad to be here this morning with you to welcome our nominees at this hearing: Charles Hess, Jo Ann Smith, Alan Charles Raul, and Gene Bailey. I think these are very, very well qualified nominees. I have had an opportunity to talk with each of them about the duties of the offices to which they have been nominated. I am satisfied that they are all very well qualified and fully capable of discharging the duties and responsibilities of these important positions.

I look forward to having a discussion with them of their understanding of their duties and responsibilities. I would like, Mr. Chairman, also to ask that the statement by Connie Mack, the distinguished Senator from Florida, and by way of introduction of Jo Ann Smith, be included at the appropriate place in the record.

The CHAIRMAN. It will be. Why do we not go in alphabetical order and begin with Mr. Bailey. Mr. Bailey, if you could step forward and come on up and take one of these seats here. Before you do, could you raise your right hand.

[Witness sworn.]

The CHAIRMAN. Mr. Bailey, as you can see, you are probably going to face very tough questions from Senator Cochran to begin with. But I want to, before we start tearing you apart with these, do you want to make any opening statement?

STATEMENT OF FRANKLIN E. BAILEY, OF VIRGINIA, TO BE ASSISTANT SECRETARY OF AGRICULTURE FOR CONGRESSIONAL AFFAIRS

Mr. BAILEY. Yes, sir, Mr. Chairman, I would like to.

Mr. Chairman and distinguished members of this committee, I consider it an honor and a privilege to be nominated by President Bush to the post of Assistant Secretary of Agriculture for congressional Affairs. It is, likewise, an honor to have the pleasure of serving in agriculture under the very capable leadership of Secretary Clayton Yeutter. Should I be confirmed, I look forward to working with the committee as well as the members of your staff.

As you are aware from the material that I have furnished to you, I have previously been employed with the Department of Agriculture, and am familiar with the operations of the Department as well as the administration of many farm programs.

Most recently, I have been employed by the National Cotton Council of America and while serving in that capacity I became familiar with numerous issues facing agriculture from the private sector point of view.

If confirmed as Assistant Secretary for congressional Affairs, it would be my intent to operate my division in such a manner that we would maintain a credible reputation with each member of this distinguished committee.

Mr. Chairman, it is my intent to remain readily accessible to address any concerns that may arise and to give those concerns my personal attention.

It is a pleasure to be here today, and I would be happy to try to answer any questions you might have at this time. Thank you.

[The prepared material of Mr. Bailey appears at the conclusion of the hearing.]

The CHAIRMAN. Thank you, Mr. Bailey, and I understand you have members of your family here. Can you introduce them to us, please, so it could be on the record that they are here.

Mr. BAILEY. Yes, I have my wife, Linda. I also have my 6-year old daughter, Sarah, and 8-year old son, Brandon.

The CHAIRMAN. Linda, Brandon, and Sarah, could you stand up here so we could see you? Any other members of your family?

Mr. BAILEY. My father is here, Thornton Bailey, my sister, Arlene Bailey, and my father-in-law, Billy Nichols is here.

The CHAIRMAN. Thank you. You have practically a quorum of family members.

Mr. BAILEY. That is correct.

The CHAIRMAN. And I am sure it is a matter of pride for all of them to be here. I wanted to note their names for the record because, of course, you get a copy of this transcript afterward, and it goes into our archives. And some day when somebody goes back in there and looks, they will find that they were all here.

Mr. Bailey in your résumé, you spent a number of years in the Federal bureaucracy on the local level, some would say, right in the front lines. I am sure you have had times when you have wanted to get some quick, fast and accurate information from the Department. What can you do to make sure that those of us in the committee who also want to be well informed about development of

the activities of the USDA? What can you do to make sure we are in a position to get that information in a hurry?

Mr. BAILEY. Mr. Chairman, I personally, as well as the members of my staff, intend to have real strong working relationship with all of the agencies within the Department, and we also plan to maintain a very visible and hopefully a very credible presence here on the Hill. In doing that, we think we will be able to address very quickly and hopefully anticipate, not only what your concerns might be, but also the other members of your committee.

The CHAIRMAN. Also, Mr. Bailey, I am very proud of this committee and the members on both sides of the aisle on this committee. I think we have one of the most broadly based committees in the Senate. The people who are on it tend to take their duties seriously. They work very, very hard. Again, I say that of members on both sides of the aisle. And we try to work together.

Sometimes if we have some difficulty securing information from the Department, for example, when I see Senator Conrad walk in here he tried for some time to get some ERS studies on decoupling, and had a really difficult time getting them.

No member of the committee, Republican or Democrat, should have any difficulty getting such information, and especially information everybody outside the Department seems to know about. And yet we have the oversight responsibility and cannot get it.

Can you be the bridge that helps break loose that kind of information if Senator Conrad or Senator Cochran or anybody else on this committee starts asking for it?

Mr. BAILEY. Yes, sir, I think so, and again I would reemphasize that I feel that by having a real strong presence on the Hill and staying in contact or very frequently with each member of the committee, again, that will certainly facilitate the communications process and help us anticipate the needs very early on. Yes, sir, I feel very comfortable we can do that.

The CHAIRMAN. And do it in a way that we do not pick up the paper and get surprised on things. You have been around long enough to know those kind of things that come out of the blue. Our life is a lot easier and, yours too, if we know about them in advance and work that out. You will find, again, excellent staffs on both sides of the aisle. Keep it so we do not get sandbagged on things.

Let me ask you the questions we ask all nominees. If you are confirmed by the Senate, will you faithfully execute the laws passed by Congress, regardless of any prior statements you have made or biases you may have held?

Mr. BAILEY. Yes, sir.

The CHAIRMAN. And if your nomination is approved by the committee and the Senate, do you promise to respond to requests to appear and testify before this committee or any other duly constituted committee of the Senate?

Mr. BAILEY. Yes, sir, I do.

The CHAIRMAN. Senator Cochran.

Senator COCHRAN. Mr. Chairman, as I said in my opening statement, I am satisfied with the qualifications of Mr. Bailey for this important position with the Department of Agriculture, and I look

forward to working with him as Assistant Secretary. I know he will do an outstanding job.

The CHAIRMAN. Thank you. Senator Conrad.

**STATEMENT OF HON. KENT CONRAD, A U.S. SENATOR FROM
NORTH DAKOTA -**

Senator CONRAD. I would just like to follow-up briefly on the matter that you raised, Mr. Chairman. It is troubling if one asks for things and they are never forthcoming, and there are items of significance to your State. The studies that I was asking for, once I got them were even more serious, once I learned the real contents of them because they indicate that my State would be very severely hurt if the negotiating position that had been taken by the administration were pursued successfully.

It seems to me that we do have the right to get information that has been produced by the Government, and that anybody who asks for that kind of information on a repeated basis. Frankly, if they asked once, that ought to be forthcoming. And I know why it was not forthcoming, because it did not agree with the position of the administration. At least it took away from their position in the sense that it indicated there was a real problem, if that position were successfully concluded.

And I am glad to hear that you have indicated that you would be of assistance to us if we got into another situation, and I, for one, will call on you if we have trouble again.

Mr. BAILEY. All right.

The CHAIRMAN. You realize it is easy for us to answer these kinds of questions, because you were not the one involved in that. So you can agree on part of the problem to go and sin no more, and then 6 months from now when we call you back.

Well, thank you, I have no further questions. I am delighted you are here, Mr. Bailey, and certainly feel free to stay or feel free to leave. Your family may want to tour the Capitol. Whatever you want to do, it is up to you. Thank you very much, sir.

Mr. BAILEY. Thank you very much.

The CHAIRMAN. If I might call Mr. Hess. Charles Hess of California has been nominated to be Assistant Secretary of Agriculture for Science and Education. Mr. Hess, would you please raise your right hand.

[Witness sworn.]

The CHAIRMAN. Do you have an opening statement you would like to make, sir? Go ahead.

**STATEMENT OF CHARLES E. HESS, OF CALIFORNIA, TO BE AS-
SISTANT SECRETARY OF AGRICULTURE FOR SCIENCE AND
EDUCATION**

Mr. HESS. Mr. Chairman and members of the committee, I am pleased to appear before you today. I have had the opportunity in recent days to visit with a number of the members of the committee, and I am very pleased with the degree of interest in agricultural science and education.

It is an honor to have been nominated by President Bush to serve as the Assistant Secretary of Agriculture for Science and

Education. I look forward to working with Secretary Yeutter, and with this committee and the staff, and to take part in addressing the important challenges which we face.

I would like to take just a moment to mention some of these challenges:

Americans have long enjoyed an abundant and safe supply of food, attributable in large measure to our wise investment in research and education. Yet today there are questions being raised about certain aspects of our agricultural production system as it relates to food safety and environmental issues. Modern technology has given us many new tools that can be employed to enhance the productive efficiency of the American farmer, and to improve the quality of our food supply and the environment. As Assistant Secretary, I would propose to assure this type of research be given very high priority.

Another area of agricultural research which will receive my personal attention involves maintaining and improving the quality of our Nation's ground water which, of course, is related to the first issue that I have raised. As you know, the administration has already submitted a budgetary initiative for fiscal year 1990 for water quality. The agencies of Science and Education will be an integral part of this initiative with other agencies in the Government.

Mr. Chairman, another challenge facing agriculture is that of expanding the agricultural base of our Nation through the development of new nonfood uses of agricultural products. Using cutting-edge technology, and through close cooperation with the private sector, we can develop products that will have an impact on both foreign and domestic markets. I would be remiss if I failed to mention the tremendous potential for growth and development of America's "hottest new crop," that is, fish, both in the interest in terms of nutrition, but also as a new industry in many of our States. Aquaculture farming is growing fast, and deserves the technical support of our agricultural research and extension system.

As one who comes to Washington straight from the university campus, you can rightfully assume that I have an intense interest in agricultural education. I think it is a big challenge that the Nation faces in science and education and engineering in general, but in particular the agricultural and environmental sciences. We must work diligently to attract young men and women into the food and agricultural sciences and particularly representation of our minority communities. The National Needs Fellowship Program has been a great help in this area, and this program has my full support.

This year marks the 75th anniversary of the Extension Service, and I have a great deal of confidence in this system. I agree that there is room for improving the system. It has served as America's rural development agency for 75 years, and it will continue to play a vital role in the revitalization of rural America in the years to come. Rural America is undergoing social and economic changes, and I share Secretary Yeutter's enthusiasm for restoring the vitality of rural America.

We face many other challenges. We must continue to vigorously pursue our program of human nutrition research. This trend of in-

terest on the part of society, a lot of misinformation in some cases and misunderstandings, and I think we need a sound research base and extension base to improve dietary habits. We must address the needs of small scale farmers, and continue research to improve the sustainability of agriculture. And that, of course, goes back to the opening comments in terms of changing some of the strategies in food production.

I have been privileged to serve as cochairman of the Joint Council on Food and Agricultural Sciences, a role which has involved active participation in the identification of research and education priorities. I look forward to now taking part in the implementation of America's agricultural science and education programs, and to that end, I respectfully request your support and confidence in this important confirmation process.

Thank you.

[The prepared material of Mr. Hess appears at the conclusion of the hearing.]

The CHAIRMAN. Thank you very much, Dr. Hess, and I will include in the record, a letter from Vic Fazio, Fourth District of California. Congressman Fazio is strongly in favor of your nomination. He has to be in California this morning and contacted me and told me of that and has sent over a letter which will be made part of the record.

[The letter of Hon. Vic Fazio appears at the conclusion of the hearing.]

The CHAIRMAN. Let us go into the basic and standard questions. Are members of your family here? I know it is a long way from California.

Mr. HESS. Unfortunately, they are not, sir.

The CHAIRMAN. I understand. If you are confirmed by the Senate, will you faithfully execute the laws passed by Congress, regardless of any prior statements you have made or biases you might have held?

Mr. HESS. I will.

The CHAIRMAN. If your nomination is approved by the committee and the Senate, do you promise to respond to requests to appear and testify before this committee or other duly constituted committee of the Senate?

Mr. HESS. Yes, sir.

The CHAIRMAN. Thank you. Dr. Hess, I understand that if you are confirmed that you are going to take a leave of absence without pay from the University of California. And you have indicated in your material we have from you that you would recuse yourself from any decisions that specifically affect the University of California, but many of the broad policy decisions, of course, such as whether to invest in competitive grant versus formula funding could have quite an effect on the University of California.

So do you want to explain for the record, how you intend to avoid any potential conflict of interest concerning the University of California?

Mr. HESS. Certainly. I would not participate in any decisions which would affect grants or contracts which would be related to the University of California. In fact, as Assistant Secretary, I do not participate in those decisions. We would set broad policies for

competitive grants programs, but the decisions in terms of awarding grants are made by peer reviews and by the scientific community and not by me. And we would also have a contracting office in the Department which would make decisions in terms of contracts, so I would not be involved in those.

In terms of the broad policies, I feel, Senator Leahy, that those would affect all universities and not just the University of California. I recognize that the University of California does compete well in competitive grants programs, but so do many other land-grant universities. And so I feel that a policy in terms of say balance between formula funding and competitive grants would not favor specifically the University of California. I do not feel that I would be influenced by my past and possible association in the university on that basis.

The CHAIRMAN. As you know, there is more and more scrutiny, much of it appropriate, some of it probably because it comes up on a slow news day, on just how we, whether in the legislative branch or the executive branch handle such questions. Would you agree to request a waiver from the Secretary of Agriculture to permit you to participate in general policy matters, such as regulations and legislation, that would affect the University of California and other similar institutions in this same way?

-Mr. HESS. Yes, sir. I believe that waiver has been discussed with the Secretary last evening and there is a letter which has been delivered to the committee saying that he agrees to that.

The CHAIRMAN. Thank you. Ten days after the Office of Technology Assessment came out with the 1988 report, "U.S. Investment and Biotechnology," 300 pages of it were fully translated into Japanese. The joke around town is that the Japanese will probably act far more quickly on the findings of the report than we will here in the United States. The biotechnology research efforts at the Department of Agriculture have been minimal, I think about 6 percent, 6 percent of the research. The budget of the Department is dedicated to what most people see as one of the most significant emerging sciences here.

Are you going to be able to help the USDA redirect its research budget so that it properly reflects the importance of biotechnology to agriculture? I hate to see just one more area where we end up starting out where we could have been ahead and then 5, 10 years from now, begging the Japanese to maybe give us a few crumbs off the table.

Mr. HESS. I think that the Department and the land-grant universities have made good strides. I think in terms of the Department, the Plant Gene Expression Laboratory in Albany, California, the gene expression laboratory is a very very significant increase in our ability to understand which genes are important and what regulates their expression. I have been monitoring since 1982 the investment that the land-grant universities have been making in biotechnology, and there has been a very substantial shifting of resources, both in terms of personnel and in terms of dollars of support.

However, you have to also recognize that in addition to work by people who are working specifically in molecular biology or in gene transfer, you also need to have the fundamental sciences that sup-

port that in understanding the biochemistry, physiology, and so forth. So although the percentage shift may be say 6 to 10 percent, there is a tremendous amount of work that is going on in the regular disciplines that are also supporting that activity.

The CHAIRMAN. We also need to have a risk assessment program too. If we are going to have these trees and plants and everything else put into the environment genetically altered, we have need to have some way of, considering not just the scientific, but in some instances, even the ethical considerations. Do you agree with that?

Mr. HESS. Yes. And in fact just this week, the Department delivered to the biological sciences coordinating committee, I guess it is FCCSET (Federal Coordinating Council for Science, Engineering, and Technology) committee that coordinates activities with NSF, NIH and so forth, guidelines for the environmental release of genetically modifying organisms.

The CHAIRMAN. As you get into it, I would be very interested in any thoughts that you have as you go along. I am quite interested in that whole biotechnology area, and what directions you see the research arm of the U.S. Government going in these activities. So please feel free to pass on your thoughts as we you along.

Mr. HESS. I will.

The CHAIRMAN. When you do research, you sort of allude to this, you have the public policy choices—certain research might lead to labor forced displacement and might lead to new product development. It could have an effect on the demographics or social patterns of American agriculture in the environment. Do you think it is appropriate to assess the potential environmental and social impacts of certain research proposals before funding them?

Mr. HESS. That is a tough question, Senator Leahy.

The CHAIRMAN. I understand.

Mr. HESS. My feeling is that when a person sets out to do a research project, it is very difficult to know what direction that may go. A person may be setting out to try to develop disease resistance in a particular crop and discover a property of that crop which would make a new product and then the direction of research changes. And so, the concern I have is if you were to do say a social impact study of that research before the research is conducted, and then decide, yes, there may be some adverse effects and then someone would say, you should not do that research, I think that would really set American science back.

However, once the research is done and we now have a new technology, I think at that time before that technology is put into place, it is absolutely essential that we do social, environmental impacts to understand what the implications of that technology is. I think we see that being done much more now. Our sensitivity to this issue has increased substantially over the years, and the example I would cite would be bovine growth hormone in which there have been now extensive, both economic and social studies made, and in fact people are questioning whether that technology should or should not be implemented.

So again just to restate my position is that I would be very concerned if there would be a restriction of freedom of inquiry, but once the research is to a point where you see a technology coming

online, then I think at that point it is very essential to do social, environmental impact studies.

The CHAIRMAN. Would you favor issuing USDA regulations for agency funded research that would prohibit public dollars being spent on developing technologies that promote increased chemical usage, for example, the development of atrazine resistant crops?

Mr. HESS. One of the early developments in biotechnology has been by Calgene and Monsanto, the development of glyphosate resistance Round-up resistance. We have taken a gene from a bacteria and inserted it into crop plants and given the crop plants resistance to Round-up so that Round-up could be used. There have been many people who have said, gosh it is really a pity that this new technology is being used to perpetuate the use of chemicals.

I think that when you have a compound such as glyphosate, which I understand is an environmentally safe material, that that strategy of making it more effective is a valid one. And I would be very opposed again to have a blanket banning of research for a particular area. I think, as I have answered in the previous question, we do not know what direction that research might go, and it may turn up some very important fundamental information that can be used in different ways. And so, I guess, to answer your question shortly, would be to say, no I would not support such a ban.

The CHAIRMAN. I want some followup questions on that because this is going to be one of the priority items next year. The major debate in the Congress has been their inability to get a sense of the problems and the direction on sustainable agriculture. We have been told that the problem is supportive, on low-input sustainable agriculture. We had a lot of testimony to that effect. But then we look at the budget requests and there is no request to fund the low-input sustainable agriculture program that was established in the 1985 farm bill 4 years ago.

So what research and extension initiatives will you undertake on sustainable agriculture?

Mr. HESS. Well, certainly I will take a very close look at what has been proposed and I would say by example, we have established a sustainable agriculture research program in the University of California, both in a division-wide nature with support from State legislature, as well as a center which coordinates activities among our many departments to concentrate on a system's approach to this sustainable agricultural research and extension.

I really feel that a lot of the research that we are doing in terms of integrated pest management, biological control, genetic resistance are all components of sustainable agriculture. Work on water quality and methods of avoiding contamination of water are parts of this sustainable agriculture program. So I am very supportive of this and certainly will try to encourage development in this area.

The CHAIRMAN. You might want to carefully look at what you think has worked or not worked in the low-input sustainable agriculture programs to date and what you think should be done in the future. I would like you to take a careful look at that and then probably correspond back with me.

Mr. HESS. Fine.

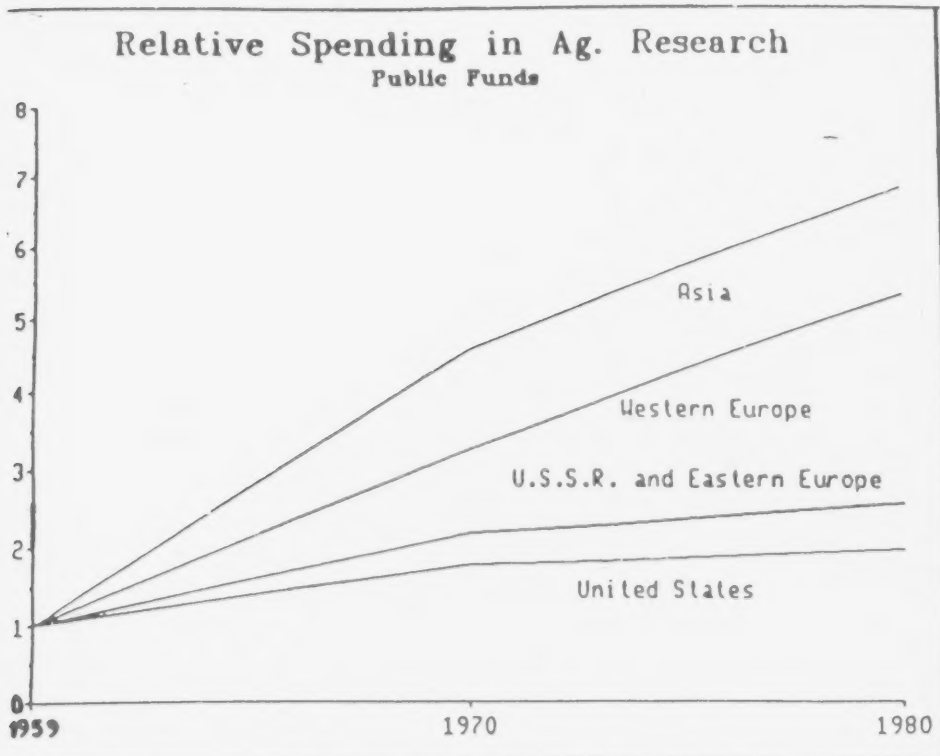
[The material supplied by Mr. Hess appears at the conclusion of the hearing.]

The CHAIRMAN. Senator Conrad.

Senator CONRAD. Thank you very much, Mr. Chairman. Dr. Hess, I have a chart that was prepared by R.E. Evenson of Yale University that is relative spending in research, public funds. Are you familiar with this? Have you seen the——

Mr. HESS. I am familiar with Evenson's work. I do not believe I have seen that particular draft.

[The chart follows:]



(Source: R.E. Evenson Yale University, 1983)

Senator CONRAD. I will share it with you. It is from 1959 to 1980 and it is entitled "Relative Spending in Ag Research," showing Asia, Western Europe, USSR and Eastern Europe, and the United States. We are dead last. And this is a trend that is of concern to me because I think in other research areas as well, we are starting to lose our edge and perhaps it is because we have been successful for so long, we have started to be a little less concerned about where the future lies for us. I assume that this is a trend that is as troubling to you as it is to me.

I noticed that you have been supportive of a proposal of \$500 million in new research funds allocated through competitive grants. In looking at previous drafts of the proposal, I did not see that there was direct funding for applied or developmental research. And one of the concerns, if I just might conclude the thought, as a former

chairman of the subcommittee on agricultural research, one of the gaps that leaps out at you is that we do a great job of basic research, we do not do so good a job at converting that basic research into commercial products or into field application. Can you just give me some reaction to that?

Mr. HESS. Certainly. I would like to begin with your data from Dr. Evenson, and yes, I do share the concern for the research investment, and yes I have been involved in the ground work for what is described as a national initiative for agriculture and environmental research. It began actually when I chaired the committee in the National Academy of Sciences on Agricultural Biotechnology Strategy for Competitiveness, and we recommended there a \$500 million investment to really realize the full potential that biotechnology has. That has now been picked up by the Board in Agriculture, National Academy of Sciences, and they are working on a report which hopefully will be out by July 1, which will lay out that program.

I will say in more recent versions of that, there are components for basic research, but there is also components for taking that research to the application, and joint programs between research and extension. And I think that that is one thing that we have to work on is closer interactions between research and extension, joint projects to take the fundamental work and get it to application out in the field. I think there is great potential there and but it needs to be realized.

Senator CONRAD. Let me followup, if I might. I am glad to hear your response on my first question. It really leads me to my second. In 1987, and I wonder if you are familiar with the USDA Commission Task Force on New Uses for Farm and Forest Products. This was a private public partnership commission that looked out over the horizon for major opportunities for agriculture. They came back with a report which I thought was extremely well done and well thought out in which they concluded, the major opportunity exists in the commercialization of products in new, nonfood, non-feed uses for agricultural products. And they recommended, this is USDA's own group now, \$1 billion initiative. Now obviously in this budget environment, there is no billion dollars available.

But to try to create the entity that they suggested, essentially a commercialization corporation, I introduced last year a bill that would have created such a commercialization corporation to do precisely what you just described. This would get us more active in bringing what we have done in basic research into the marketplace. Curiously enough, guess who opposed that legislation? USDA.

In other words, they turned their back on their own task force that they had created, that they had staffed, that came back with the unanimous recommendation. Frankly, we passed it on the House side. We had also included it on the rural development bill on the Senate side with strong bipartisan support. The National Governor's Association supports it. What would your response be to that kind of legislation?

Mr. HESS. I did look at the legislation and some of the testimony as you have requested from me on that, and I guess some of the testimony was saying that there were programs underway, and in

fact there are some areas of new product development, such as the Kenaf program in terms of paper products from that.

One of the interesting things in that is that it does require a total system in terms of, not only do you have to produce the crop, but you also have the entity to manufacture it, and then the customer will buy it. And there are problems, for example, in that the crop is seasonal and unlike wood products that can be harvested on a year-round basis, something has to be done to fill in the gap when the Kenaf is not available. That seems to be a side of the problem, but it is an example of what happens in terms of the implementation of what looks like a promising new area.

Another one that we have been working on is using biotechnology to introduce genes into plants like rapeseed to produce pharmaceuticals like interferon, and I think that that is really very exciting.

What I would say in answer to your question is that I will go back and take a look and see really firsthand what the rationale was for not supporting the legislation. As I have said in my opening statement, I am very supportive of it and hopefully we can work out a mechanism to achieve our mutual goals.

Senator CONRAD. I will tell you, there is very strong support, not only in Congress, but strong support out among the Governors, very strong support for this in the rural areas of the country. Because I think USDA's task force was correct in concluding that one of our major opportunities, largely untapped, is new nonfood, non-feed uses for these agricultural commodities. We have to find a way to commercialize that outstanding basic research that we do. The Japanese are cleaning our clock in area after area and this is where they shine. They commercialize, and frankly that is where we have dropped the ball. So I will be very hopeful that there would be a new attitude and a new view, if you take on this position.

What is your position on Noriega? You do not need to answer that.

Mr. HESS. Thank you.

Senator CONRAD. We are all against Noriega.

The CHAIRMAN. Senator Baucus.

STATEMENT OF HON. MAX BAUCUS, A U.S. SENATOR FROM MONTANA

Senator BAUCUS. Thank you, Mr. Chairman. Mr. Hess, I want to follow-up on what Senator Conrad is saying.

I think he is right. We have to move much more to our commercialization and moving much more aggressively than we have in these areas, partly to increase our productivity in our own country.

Second, to develop the technologies in our own country, so that we have the technologies that perhaps we can export. We can sell. And it helps address the trade deficit that we have.

Third, I tend to believe that our country will only continue to grow and prosper the more it pays very, very close attention to its technological manufacture and productive base. That is, it is true that inexorably countries and civilizations move somewhat from agrarian cultures to industrial, then to service.

But I think it is wrong for America to believe that we should concentrate on the service side to the neglect of the producer of your manufacture and technical side. Because we will only be strong, the more we continue to address, not only increases in productivity and services, but frankly it might be more importantly, increases in productivity in developing new technologies and commercialization of those technologies, so that the service will stay where the technologies and production is.

It is very clear we have to do that. The Government has a very major role, and more than that responsibility. Not only in the way of responsibility, if we are going to have higher incomes for our children, we are going to have closer cooperation between Government and business. I am not saying industrial policy, but I am saying closer talks and coordination of working together more and helping each other out, much more than in the past. Again, our role as public servants is to serve the people, and it is our role, therefore to think more creatively and more aggressively on how to fill this gap. Now that is more sublime.

Now the more specific. The President's council, I guess it is a national agricultural research and users advisory board, has recommended closing or consolidating lots of smaller research stations around the country. I would strongly advise you to pay very close attention to those smaller research centers around the country, because they are there for a purpose.

I am thinking for an example of Fort Keogh in Miles City, Montana which does excellent work on range management, range work. It is there because that is where the range is. I mean, that is why it is there. And it is very hard to duplicate experience in research in other parts of the country. As you know it does not rain very much west of hundredth's meridian. We have open spaces, open range. It is much different than in other parts of the country. And it is critical that those stations stay there.

And Sidney Research Station at Sidney, Montana—there is tremendous work in genetics and developing hybrids and strains and new crops. And because that is where that part of the country is. That is where it does not rain very much, and it is critical therefore that those stations stay there.

In addition, I am trying to also encourage upon all branches of the Government to stop this trend toward deregulation, centralization, consolidation. There is worship in the almighty dollar in the name of efficiency in forgetting that Government is here also to serve people. The role of Government is not to only try to be more efficient. That is not the only role of Government. There are other roles of Government, that is, to serve people. We are all public servants elected to serve people or appointed to serve people. That is our job to serve, public service, not public efficiency, public service.

And I ask you to take a very very very strong combated attitude to save and to keep in place Fort Keogh, Sidney, and all these smaller research stations which are so necessary, and they are there again because that is where those particular conditions happen to be.

Mr. HESS. I certainly have an appreciation for the value of field stations. Within the University of California, we have nine

throughout the State because of the very issue that you have described, being able to do the research in the ecology, the environment in which that particular research will be used. However, I will certainly look at it.

There is one question I would like to go back to and a problem, I think, that we need to look at, and this is the application or the commercialization of new technology. It seems to me that one of the problems that we face is the tendency in U.S. business in this environment of takeovers, and it seems that the horizon becomes a quarterly basis, and the investment then for new technology and research is a real problem. So I think that is one of the things that we all have to work on.

Senator BAUCUS. I apologize. I am chairing another hearing, so I have to get back so those folks are not kept waiting any longer, but thank you, sir.

Mr. HESS. Thank you, Senator Baucus.

The CHAIRMAN. Senator Baucus, I appreciate your being here. I know that you had to recess another hearing to come by and I appreciate that. Senator Kerrey.

STATEMENT OF HON. J. ROBERT KERREY, A U.S. SENATOR FROM NEBRASKA

Senator KERREY. Mr. Chairman, I met with Dr. Hess earlier and I just want to restate to him and for the record, that I think he is eminently qualified for the position. He is stepping into a position that is extremely important to the future of agriculture. The position is obviously fraught with controversy, a tugging and pulling of conflicting needs, but one that is extremely important.

It seems to me that as we try to make agriculture more profitable and healthy we need to remember how it is that we arrived at where we are right now, and try to learn from those lessons and take the things that we have done best and reapply them in the future. And in general, it seems to me that despite some strong criticism from time to time about some of the specifics, in general the United States of America has been very wise in extending its scientific technology to agriculture, applying that technology in a manner that has enabled us to raise our standard of living.

I would argue as well, and I know the chairman is on the Foreign Operations Subcommittee, but I would observe that where other nations have been able to apply our technology, their rising standard of living has enabled them to buy more product from us and there is a connection there as well, that we ought not to forget. I think that the best that we can do is to try to place in the hands of people who are committed to growing our food, new tools that will enable them not only to be more productive, but to lead to happier lives. I just think that we have done a very good job in the past and we need to remember that record. I am extremely confident in looking at Dr. Hess' biography and his attitude, as well, that he is going to be able to do an excellent job in this position.

Mr. HESS. Thank you, Senator Kerrey.

The CHAIRMAN. I thank you, and Dr. Hess, I too, like Senator Kerrey, am very impressed with your background. I think the waiver that you worked out with Secretary Yeutter is an excellent

idea. It takes care of that issue. I appreciate your being here, and I anticipate no difficulty.

One of the interesting things—I mentioned to several of Senators that stopped today with a lot of the committees going on—I would hope that neither you nor any of the other nominees feel short changed by the fact that Senators have had to be here either briefly or had to be at other meetings. It is when you have a controversial nominee, one that is facing a lot of trouble, that we are all here. If I was the nominee, I would want to come to something where maybe one or two people are there, and you would feel a lot more comfortable.

Of course, almost all of the nominees in the Department of Agriculture have been of that noncontroversial nature. Thank you.

Mr. HESS. Thank you, Senator Leahy.

The CHAIRMAN. We have Mr. Raul. Alan Charles Raul of New York to be General Counsel. Mr. Raul, am I pronouncing your name correctly?

Mr. RAUL. Yes.

The CHAIRMAN. I understand you have a family here, too. Can you point them out, please.

Mr. RAUL. Yes, I do. I have my wife, Mary Tinsley Raul who has been designated by Ambassador Carla Hills as her Assistant U.S. Trade Representative for Congressional Affairs, and my parents, Eugene and Eduarda Raul, and my grandmother, Mrs. Isabel Muller.

The CHAIRMAN. Could you all stand up, please, so we can just see you all. I am delighted you are here. Mrs. Raul you are undertaking a pretty difficult job, too. I hope you and your husband get a chance to see each other on occasion. It is nice to have really three generations, both parents and grandmother here. Mrs. Muller, I am delighted to see you here too.

Mr. Raul, would you please stand and raise your right hand.

[Witness sworn.]

The CHAIRMAN. Do you have any opening statement?

STATEMENT OF ALAN CHARLES RAUL, OF NEW YORK, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF AGRICULTURE

Mr. RAUL. Mr. Chairman, and distinguished members of the committee, it is an honor for me to appear before you today as President Bush's nominee to be the General Counsel of the U.S. Department of Agriculture.

I am grateful for the confidence reposed in me by the President and Secretary Yeutter in selecting me to serve in this important legal position in one of the largest Departments in the Federal Government. If confirmed, I will work to the best of my ability to faithfully discharge the duties of my office, and I will conduct myself always in a manner that reflects creditably on the United States.

There are many challenging and complex issues before the Department of Agriculture today. I am looking forward to becoming involved in, and providing legal guidance on, issues such as the Nation's food supply and commodity programs, new farm legislation, the role of agriculture in world trade and the Uruguay round nego-

tiations, food safety and inspection, rural development and financing, the national forests, the environment, and the many other matters handled by the Department's almost 250 lawyers.

I believe that my experience as General Counsel at the Office of Management and Budget in the administrations of President's Reagan and Bush, and my prior experience as Associate Counsel to President Reagan, will provide me with a good background for serving as the chief legal officer for one of the most important and diverse Cabinet Departments in the Federal Government. The responsibilities ahead of me represent an exciting challenge, and I can assure you that I intend to work hard to meet that challenge successfully.

At this point, Mr. Chairman, I would be happy to respond to any questions that you or the members of the committee may have.

Thank you.

[The prepared material of Mr. Raul appears at the conclusion of the hearing.]

The CHAIRMAN. Thank you very much. You have been working, as you mentioned, at the executive branch, the General Counsel at OMB. You sort of had a chance to have your hands in all agencies. What made you decide to go over to the Department of Agriculture. I assume you have not been actively farming in the Bronx?

Mr. RAUL. That is true, Mr. Chairman. But New York State, as you may know, is a substantial agricultural State. But not necessarily in the Bronx where I originate from.

The CHAIRMAN. Where I come from we think of New York as one of those Western States. We consider Massachusetts a Southern State. You have to understand it is all in the prospective of where you are from.

Mr. RAUL. Exactly, Mr. Chairman, I consider myself to be from the South as well, just south of Westchester County. It is an honor to go over to the Department and to have the opportunity to work with Secretary Yeutter who really, I believe, will be one of the great Secretaries of Agriculture. So, I am very honored and enthusiastic to go over there.

The CHAIRMAN. Let me go into that a little bit, because the kind of things in the Department of Agriculture, you get into some really esoteric areas in acreage basis, payment limitations, bread and milk prices, a whole lot of other issues that come up. How do you view the role? Let me give you a couple options. Do you see it as one where you get into the policy decisions or get into the legal implications of policy decisions?

Mr. RAUL. Mr. Chairman, I think that it is a little bit of both, but my responsibility will be to advise the Secretary of the Department on the legal implications, the legal options and requirements that face the Department and that either constrain or authorize the Secretary's decisionmaking authority. I view my responsibility as counseling the Secretary as to what the range of his options are—so that he, as the chief policymaker, can have that before him.

The CHAIRMAN. But you do not see yourself as being one that should go and advocate it and say that the target or loan price should be at this dollar amount, but rather if you do this your legal liabilities are such and so?

Mr. RAUL. Exactly, Mr. Chairman.

The CHAIRMAN. Have you worked with Clayton Yeutter before?

Mr. RAUL. No, I have not had the opportunity to directly work with Secretary Yeutter, but I have been involved in issues that he has been involved with when he was United States Trade Representative. I have worked on trade issues when I was in the Office of the Counsel to the President, and at OMB as well.

The CHAIRMAN. Let me ask you another policy question. You presented a paper last year concerning the Federal regulatory process, and you stated that in a Federal system of Government such as ours, Federal regulatory activity that preempts State and local regulations is "undesirable and should be avoided wherever possible." But the job that you would have as the legal representative for the Department of Agriculture, is an agency that does a mountain of regulatory work. And that is work that preempts State and local regulatory activity on a fairly regular basis. In fact, we have heard criticisms around this table, on both sides of the aisle, that USDA has not provided enough clarification of how programs are to be run.

So are you predisposed to argue against most of the regulatory activity carried out by the Department of Agriculture?

Mr. RAUL. No, Mr. Chairman, I am certainly not prepared to do that, neither at this point nor at any point. The quote from the paper that you read from said that such preemption is undesirable, but that does not mean that it is not mandated and that, at times, it is not necessary. We do have a supremacy clause in the Constitution that makes Federal law supreme over State law, but the Constitution also contains the principles of Federalism.

So the point that I was making in that paper, Mr. Chairman, was that where possible, or where it is not absolutely necessary or required by law, State laws and policies should not needlessly be preempted by the Federal Government.

The CHAIRMAN. You know, I have served on this committee now for—this is my 15th year and four different Presidents. And during that time, one of the things, both under Democrats and Republicans, I found is long history of cooperation between the General Counsel's office and the Agriculture Committee. We have dug up some statistics here. We find that at least nine staff members worked both in the General Counsel's office and on the staff of the Agriculture Committee. Five of those nine served as chief counsel for their committee staff.

Again, if we can work together, if we can have cooperation, review the legislation together, we often end up with a better legislative product. Obviously, individual Senators are going to propose what they feel is policy and will do that in unrestrained fashion, but so many times if we are able to work together, we can make sure that whatever policy we vote on is something that is legally sustainable.

I hope that we can count on you and your staff, because there is no question you will be confirmed, to continue that same kind of cooperation.

Mr. RAUL. Mr. Chairman, I look forward to continuing that cooperation and working with the committee and the committee staff.

The CHAIRMAN. I might say, I know that Senator Lugar would join me in this statement. It is something where both sides of the aisle want that kind of cooperation. Actually, the Department benefits in the long run. It makes your life a lot easier, if you are able to work with us in the drafting of legislation.

Let me ask you the standard questions we ask of all nominees. If you are confirmed by the Senate, will you faithfully execute the laws passed by Congress, regardless of any prior statements you have made or biases you may have held?

Mr. RAUL. Yes, Mr. Chairman.

The CHAIRMAN. If your nomination is approved by the committee and the Senate, do you promise to respond to requests to appear and testify before this committee or any other duly constituted committee of the Senate?

Mr. RAUL. Yes.

The CHAIRMAN. Senator Kerrey or Senator Gorton.

Senator GORTON. No questions.

Senator KERREY. Mr. Raul, I think the chairman has isolated something that causes me some concern. I will just tell you at the outset that I am inclined on most nominees simply to ask some perfunctory questions. But I am inclined to give the President wide latitude in these sorts of things.

I am troubled, however, by the difficulty of trying to assess what your point of view is given your lack of experience in agriculture. That point of view becomes very important to me because even though most of the people who are directly involved in production agriculture in Nebraska have a fairly low regard for lawyers and are not terribly concerned about the technicalities of law, I try to point out to them that in fact—

The CHAIRMAN. Senator Exon makes it a point to point that out to me five or six times a day.

Senator KERREY. I have tried to point out, on a number of occasions, some quite difficult as a matter of fact, that the law is a very serious matter and that the interpretation of the law is a very serious business. You have referenced the Constitution, and I think, it is important to do so, important for us, particularly, I think, in agriculture. I understand our relationship to the law and the order that it provides for us. Therefore, I believe one's point of view becomes extremely important.

We have had disputes that have surfaced already in this session of Congress over the Farmers Home Administration's interpretation of the Agricultural Credit Act of 1987, and these differing interpretations can cause disputes. So one's point of view becomes very important.

I say all that to set up my curiosity about your listing in your biographical information, a letter to the editor written to the Washington Post on March 24, 1989. Having written letters to the editor before myself, I would not have listed that in the biographical information. So I assume it was something that you regarded as an important statement. Based upon that assumption, I went and looked up your letter and found that you, in fact, had written a letter to the editor critical of the leftist lyrics of Tracy Chapman's music. And I found myself asking, does that say anything about you and your point of view that should cause me to vote not to con-

firm? And I must tell you that I have not been able to answer the question.

So I wanted to raise the issue with you and give you a chance to describe this letter, what it means to you, and what it means about your point of view.

Mr. RAUL. Yes, Senator, I would be happy to do that. Thank you for providing me with that opportunity. To begin I should say that with regard with the listing of that letter published in the Washington Post, I was seeking to be as responsive as possible to the committee's questionnaire which, I believe, called for a listing of all publications which the nominee, in this case, myself, has had. And wishing to be entirely complete, I included that letter. Although, as you indicated, Senator, it was a personal letter and not something which I felt was a statement obviously of any official kind. But nonetheless, I did not want to fail to identify something which the committee and the members such as yourself might have an interest in.

The letter itself was a response to an opinion editorial in the Washington Post which in my opinion neglected to discuss and analyze some of the pop lyrics of a singer named Tracy Chapman. I believe it distorted what actually was contained on the album. And the title of the song on which my letter focused is "Talkin' 'bout a Revolution." And it is the case, Senator, that I believe that a revolution of the nature which Ms. Chapman sings about in her song is not something that is positive or desirable for the United States. And I felt that the writer of the essay in the Washington Post to which I responded had quite simply failed to make any discussion of what I considered to be the significant song on the album which contained some fairly inflammatory lyrics.

Senator KERREY. In 1983, I was inaugurated as Governor of Nebraska and for at least the first 3 years of my service as Governor, we were in the throes of a serious agricultural recession caused by all kinds of things that I do not really care to get into today. Occasionally I was called upon to hypothecate what I thought the causes were and to suggest some solutions.

In the midst of that, all sorts of things were said by people who were involved in production agriculture. All sorts of things were said by people who were angry with what their Government was doing—foreclosing on property, among other things, putting in policies that were forcing people off the land. It was a death march in Nebraska of people who were leaving the land. And they were saying, although they were not talking about a revolution, they were saying some rather inflammatory things. And I am curious as to what your attitude will be if, God forbid, we end up in a recession again and we have similar sorts of things going on in the Plains, what your attitude would be toward people whose discontent causes them to say inflammatory things about their Government?

Mr. RAUL. My problem, which I addressed in the letter, was addressed to the failure of the Washington Post essayist to even touch upon what I considered to be significant statements on the album, while focusing on other statements made in the album. So the purpose of my letter was really to highlight the misleading

nature of the original essay and not as much to even debate the point of view expressed by Tracy Chapman.

I believe that individuals, including Tracy Chapman and the writer of the essay in the Washington Post and myself have first amendment rights which must be respected, to ensure a vital debate on issues with radically different points of view. It is what this country is all about. I am in favor of that, and I feel that when, as a private citizen, I want to engage in that debate and advocate my point of view, I should have that right just as the people in your State do and just as Tracy Chapman does.

Senator KERREY. Having allayed my concerns that perhaps you did not like the first amendment, I appreciate your statement. It is the point of view toward people who are angry with their Government, left or right by the way, which still gives me some concern, although, in this particular case, it is obvious that your point of view is from the right. It is the leftist orientation of the lyrics that provoked the letter. I do not dispute by the way your right to be provoked by that, nor does that disqualify you to be General Counsel at the Department of Agriculture.

My concern is, once you have seen somebody who is angry, as a consequence of something their Government has done to them, whether they are standing in a welfare line or whether they are standing in line at the ASCS office or whether they are standing in the line to get their property foreclosed on at a Farmers Home Administration office, what will be your attitude toward those individuals?

Mr. RAUL. Senator, my point of view on this is that people who are angry with their Government and express that have to be listened to because they may very well have a point that must be considered and addressed immediately. If they were people who were expressing vigorous arguments, complaining about their Government, my point of view on that, Senator, would be to listen to what they have to say. Because they may very well be right.

Senator KERREY. I would go so far as to say that not only may they be right, but the lyrics in that song may be a warning that we need to be aware of and be alert to. I concur essentially with your conclusion and hope that in fact, if there is an opportunity to make such a judgment during your term as General Counsel, that you are able to apply it.

Mr. RAUL. Thank you, Senator.

The CHAIRMAN. Thank you very much.

Mr. RAUL. Thank you, Mr. Chairman.

The CHAIRMAN. The last nominee is Jo Ann Doke Smith of Florida to be Assistant Secretary of Agriculture for Marketing and Inspection Services. Nice to see you again Ms. Smith and glad to have you here. Would you also stand and raise your right hand.

[Witness sworn.]

The CHAIRMAN. Ms. Smith, do you have an opening statement?

[The prepared statement of Senator Connie Mack appears at the conclusion of the hearing.]

STATEMENT OF JO ANN D. SMITH, OF FLORIDA, TO BE ASSISTANT SECRETARY OF AGRICULTURE FOR MARKETING AND INSPECTION SERVICES

Ms. SMITH. Yes, sir, I do.

Mr. Chairman, and distinguished members of the committee, it is a great honor for me to appear before you today as President Bush's nominee to be the Assistant Secretary for Marketing and Inspection Services of the U.S. Department of Agriculture.

If confirmed, it will be my privilege to serve under Secretary Yeutter and to help forward his commitment to strengthen and expand the Department's important food safety mission for the betterment of our Nation and, in fact, the world. I take this challenge seriously, and intend to act effectively, responsibly, and to the best of my ability, always in accord with the highest standards inherent in this high position of public trust.

I look forward to this opportunity. Today, as never before, the issue of food safety is paramount in the minds of American producers and consumers alike. It is the No. 1 priority, stated by Secretary Yeutter, and the No. 1 obligation of the agencies which I will supervise.

I believe that my personal hands-on experience with agricultural production and my many years of working with all divisions of USDA have prepared me to be especially sensitive and responsive in addressing the specific issues. I say this, understanding that my area involves the complete food safety cycle, protecting the health of U.S. livestock and plant life, the production, inspection, transportation, marketing and distribution of agricultural commodities. This includes the safeness, wholesomeness, accurate labeling, healthfulness, quality, uniformity and fair trade practices of our great country's food supply.

I hope to work closely with the Congress on the many important issues facing us, and respectfully ask for the support and confidence of you here today.

Thank you.

[The prepared material of Ms. Smith appears at the conclusion of the hearing.]

The CHAIRMAN. Thank you very much. Ms. Smith, let me ask the basic questions first. If you are confirmed by the Senate, will you faithfully execute the laws passed by the Congress, regardless of any prior statements you have made or biases you may have held?

Ms. SMITH. I will.

The CHAIRMAN. If your nomination is approved by the committee and the Senate, do you promise to respond to requests to appear and testify before this committee or any other duly constituted committee of the Senate?

Ms. SMITH. I do.

The CHAIRMAN. We have your recusal letter. You and your husband are involved in a major ranching business in Florida. So let me ask, do you want to explain just exactly how you are going to disassociate yourself from your current agricultural interests? You have been associated with the beef industry for most of your life. You served as president of the National Cattlemen's Association. I

congratulate you on that. Your ranch is among the largest in Florida.

Would you outline for us just what you will do to avoid either actual conflicts of interest or appearances of conflicts of interest?

Ms. SMITH. Yes, sir. I have taken the necessary steps with the concurrence of the Secretary and the approval of the Office of Government Ethics to assure that I will be able to carry out responsibilities of my position as Assistant Secretary for Marketing and Inspection Services. And I think you have the waiver as issued by Secretary Yeutter.

The CHAIRMAN. You understand that we have to walk this line on the one hand and certainly as chairman of this committee I am glad to have somebody who comes to the Department with something other than just abstract knowledge. I mean somebody who has actually seen how programs work and probably just as importantly, has seen how programs do not work. Having somebody who has been a true agricultural producer or whatever, I think, is very valuable to us. At the same time, of course, I think you understand, as well as all members of the committee, how important it is not to have a conflict of interest. And not to even give such an appearance, because the programs that you will be involved with, in many instances, work at their best if they are credible.

So that is why we ask the question. I have read the recusal letter carefully and also the Secretary's waiver. We have seen in the past few months what has happened with the question of alar in apples. The question of seafood inspection, cyanide in two Chilean grapes, or three whatever it was, but it has raised public concern. We are a Nation that prides itself in having the safest food in the world and yet I think there is concern, and a very real concern among consumers, about what they can and cannot eat.

We also find every time one of these things comes up, I am going down scrambling around trying to figure out all the different Government agencies that are involved in the various aspects of food safety. So one of the debates is going to be to what extent food safety issues should rest with the Department of Agriculture versus the Food and Drug Administration.

So, realizing that one of your most important tasks is to restore consumer confidence in our food supply, what plans do you have to reinforce the leadership role of the Department of Agriculture?

Ms. SMITH. It is the first and foremost priority with Secretary Yeutter and certainly falls under the responsibilities I have outlined in my opening statement. We certainly intend to make it the No. 1 priority working with, not only USDA, but along with the other Federal agencies that share the mission and responsibility of restoring confidence in our food supply. I certainly look forward to the opportunity to work with them in order so that together we can reestablish the confidence back in the food supply in this Nation.

The CHAIRMAN. How do you balance USDA and FDA? What is the appropriate role for the two Departments?

Ms. SMITH. Having come from production agriculture and you are right, I do bring that perspective, not only in the cattle business. In our area of Florida, we are also in the vegetable business. It is the responsibility of the Department of Agriculture for those commodities, as they are being produced and through the food

chain all the way up to the processing and through the processing to make certain that the products that we produce are safe. Remember that basic production wants to supply a safe product. Of course, then I see the role of FDA as testing the product, if necessary, once it hits the shelf if there is a problem.

But it is USDA's responsibility by Congress by legislation for the wholesomeness of that product as it moves through the production.

The CHAIRMAN. You realize how quickly perceptions can change. People involved in food and sales look at it one way, but the vast majority might see a 10 second blurb on television, or something like that, and it can have a ripple effect across this country quicker than just about anything else. About 50 percent of our cash income at the prime level comes from livestock sales, for example. Every time though the public perceives that inspection programs are inadequate or the Federal Government is not protecting public health, even if that perception is false, you know what happens, sales go down, farmers get less income. I am not sure the Department has helped this situation in the past few months.

The American Meat Institute and numerous consumer groups have joined together and have called for USDA to withdraw its proposed improved processing inspection regulations. A misnomer if I ever saw one just to give some hint of my attitude about it. And I have sent a couple letters to the Department. I have asked them to do the same. I told them I think it is kind of foolish. I get a lot of double talk back. I have not gotten much more than that. We will probably have a couple of hearings on this though just to kind of focus the issue.

So I would hope that you might just withdraw those regulations, say everybody is entitled to one dumb mistake now and then, and start the process all over again. The reason I say that, all joking aside, sometimes perceptions becomes reality. In this case, I think they are joined in it and it really does not do producers any good. The consumer gave far more concern to these areas and we can afford decent inspection in this country. We really can. And to the extent we do inspection then we guarantee that we have safe food, and that is good for all of us.

Ms. SMITH. It is very difficult being a female sometimes to know when you cannot say something. I do have an opinion. You know me well enough that I have an opinion. I am concerned about the improved processing regulation. The Department is concerned about it. I understand that I am not at liberty to make comment under the Administrative Procedures Act, but after the comments have been closed I will be glad to talk with you about it and with the committee.

The CHAIRMAN. I hope, FSIS should just put these regulations on hold while they have their hearings this summer. And let us see what comes of it because these are the kinds of things we would like to have done by regulation, but I better point out that if we continue hearing some of the griping we have heard around, the committee may end up proposing legislation. But I prefer it be done by regulation.

Ms. SMITH. We will certainly take your concerns under advice and I know that Secretary Yeutter is concerned about this issue.

The CHAIRMAN. The Grain Quality Improvements Act of 1986 outlawed the practice of adding foreign material to grain at export terminals. It was done to help restore international confidence in U.S. grain, but the Office of Technology Assessment has completed a major study on grain quality that was called for in the 1985 farm bill. And their major conclusion is that we can be doing significantly more to improve our grain quality. The necessary actions go beyond setting standards. Do you agree that the Federal Grain Inspection Service will have to coordinate with other USDA agencies to ensure that a comprehensive approach is followed?

Ms. SMITH. If we are confirmed, we will certainly take a close look at the report and make certain that we do the best job in order to assure that the quality and the control methods that are being implemented.

The CHAIRMAN. I ask these questions, and I wish you could give an answer and say it would or it would not be done. I understand your reluctance to do that, but I would hope that you understand by the questions that we are going to be following up again on areas where the Department has a responsibility, I think, to producers, to exporters and everybody else to work aggressively. Again, something where you have the flexibility to do it within the Department in an administrative fashion, but one where if it is not done we are probably going to mandate it by law. And again, it could be done a lot better if you just do it on your own.

Let us see, we had animal welfare legislation passed in 1985. We passed a lot in 1985. That was 4 years ago and implementation is not final yet. We are hearing a lot about it. Can you kind of move that along? I mean after 4 years can you go down and find out if people are sleeping or what it is? Maybe it got lost somewhere? Maybe it is in the mail?

Ms. SMITH. I think that that too is in the hearing process, comment process right now, and is supposed to close on Monday.

The CHAIRMAN. Checkoffs. You have had experience in developing and implementing research and promotion programs or checkoffs through your time with the beef board. Several commodities now have legislation introduced or are in the development stages to extend checkoff funding programs—soybeans, pecans, mushrooms, limes. From your experience in the beef industry, do you generally favor or oppose such programs?

Ms. SMITH. I would have to say that obviously I am in favor of those programs. I think producers are today realizing that they should be the ones to handle some of the research and promotion of their own products and are willing to put their funds into it and not cost the Government or the taxpayers.

The CHAIRMAN. Of some of the checkoffs, you have had before, can you think, offhand, of some changes that should be made in the way we do checkoffs or does this generally seem to work pretty well?

Ms. SMITH. I understand that the Department has a task force that is studying checkoff programs, and certainly we would remain objective and open to changes.

The CHAIRMAN. Take a look at it, because I think a lot of times they do work well, but like anything else, there is always room for improvement. Thank you.

Senator Gorton.

Senator GORTON. No questions.

The CHAIRMAN. Senator Dashchle, like many others, is also held up at another meeting and he just wanted to emphasize how important these nominations are, especially science and education, inspection, so on. He is going to be working very closely with the Assistant Secretary as the chairman of the Subcommittee on Agricultural Research and General Legislation.

Senator Conrad.

Senator CONRAD. Thank you, Mr. Chairman. Regarding the reorganization of APHIS, I understand that the reorganization that has been proposed creates direct line authority from the Administrator to the 11 separate divisions. That change would seem to demand somebody in the position who has a strong technical and scientific background, and I am wondering, are appropriate considerations going to be made for the need for an individual in that position with a strong science and technical background?

Ms. SMITH. Obviously, I would be unfair to tell you that I have studied carefully APHIS reorganization. It is voluminous and I have looked at it in that sort of vignette. I think that traditionally that person has had a very strong—well, there have been both sides. I am old enough to remember that. Obviously it has to be somebody with knowledge and ability and certainly technical knowledge is very important, yes. And that coupled with someone that could be an administrator.

Senator CONRAD. Let me ask you about a couple of other things. Under FSIS, Food Safety Inspection, in November of 1989 the Office of Inspection General of USDA issued a report that detailed fairly serious breakdown of food safety inspection procedures. Those included a lack of communication between FSIS and the EPA regarding tolerance levels for various drugs and pesticides, insufficient and inaccurate testing of fresh and processed meats, and, finally, inability to quickly and effectively hold or recall adulterated meats. Can you tell me what steps you would take to assure that we do not have that kind of problem and that the Inspector General's report is followed up on, taking care of these shortcomings that were identified?

Ms. SMITH. Certainly we will have a total review of that report and make certain that as the Assistant Secretary, we will place the safeguards necessary and personal time that it takes in order to make sure that those kind of things do not happen again. You have my commitment that I too am concerned about that.

Senator CONRAD. All right, thank you very much. Let me turn our attention for a minute to the import programs in the FSIS because a lot of us have a concern on that side of the ledger, as well. An audit that was completed in 1987 by GAO on the inspection procedures for imported livestock and meats indicated all of the same deficiencies that the Inspector General identified from USDA. Even more disturbing FSIS does not test for the chemicals and drugs used in foreign countries. What progress do you think can be made in this area? And what would be your intention, as we proceed to assure our consumers here that what comes in from abroad has the same rigorous analysis done as we subject our own producers to?

Ms. SMITH. We in production agriculture are very aware and are very concerned about those products that are coming in to compete against the production here in this country—fruits, vegetables, and meat. We want the consumer to know that what we use is safe and we want to produce a wholesome product. We think that that competition should have to certainly come under the same standards.

And I think that we need to make that happen.

Senator CONRAD. I appreciate that. I think we need to have a little shot across the bow of some of our friends over in Europe. They do not exactly come with clean hands to this table, as you so well know. And they ought to have a signal sent to them that we can be tough too.

Ms. SMITH. We will certainly be happy to work with you.

Senator CONRAD. Let me ask one other question, if I might, Mr. Chairman, and that will conclude my questioning. I know the hour is getting late. Are you familiar with the Office of Technology Assessment's recent report entitled, "Enhancing the Quality of U.S. Grain for International Trade"?

Ms. SMITH. I am aware that there was a report, yes.

Senator CONRAD. One policy option that it presents is requiring mandatory inspection of interstate grain shipments. Have you taken a position on mandatory inspection?

Ms. SMITH. No, I have not. I have not studied it and would have to get back with you on that.

Senator CONRAD. Another policy option in the report presented was the use of variety identification. Again, this may not be something that you have had a chance to look into, but I would urge you to take a look at that report. There are some very serious implications of what is being proposed in this report, some positive things, some things that many of us would view as not so positive.

But in light of the interest and attention that has been focused on grain quality, I would hope you would take an early opportunity to review that report and have a chance for some dialog with those of us up here who care a good deal about it.

Ms. SMITH. I will be happy to.

Senator CONRAD. I would be happy to end my part of this, Mr. Chairman. All I can say is if you canceled time in Vermont to be here, your commitment to this cause is noteworthy.

The CHAIRMAN. I will keep the record open until 4:30 today so the staff of the other Senators can notify us if they have any other questions. I have notified Senator Lugar that it is my intention to try to—we are only going to be in session next week and we will be out for a week—is to try to bring the committee together to vote on these nominations early next week, and hopefully to have them on the floor and through the Senate. I anticipate no difficulty.

I can tell the four nominees here in that regard. So I would urge all Senators on both sides of the aisle if they have questions to get them in today. If some questions come in, I would ask the nominees to work quickly getting the responses back this weekend, and if so, I think we can probably get the nominations scheduled. I will speak to Senator Mitchell and Senator Dole about that, and get these scheduled during the next week.

Thank you all very very much. We stand in recess.

[Whereupon, at 11:45 a.m., the committee was adjourned, subject to the call of the Chair.]

[Material submitted for inclusion in the record follows:]

APPENDIX

FRANKLIN E. BAILEY

BIOGRAPHICAL INFORMATION

1. Franklin Eugene Bailey, "Gene".
2. Residence: 49 Woodlawn Terrace, Fredericksburg, VA 22405, (703) 371-0464.
Office: National Cotton Council of America, 1110 Vermont Avenue, NW., Suite 430, Washington, DC 20005, (202) 833-2943.
3. Born: July 31, 1949, Phenix, VA 23959.
4. Marital Status: Married—Linda Faye Nichols (Housewife).
5. Education:

College	Dates of attendance	Degree	Date received
Ferrum College	Feb. 1968–June 1969	A.S.	June 1969.
James Madison University	Sept. 1969–Mar. 1971	B.S.	Mar. 1971.
George Mason University	Sept. 1973–Dec. 1980	M.P.A.	Jan. 1981.

6. Employment Record:

April 1971–June 1974: Public School Teacher. Taught History and English.

June 1974–December 1974: ASCS/USDA Training Program. Studied administration of USDA farm programs.

December 1974–March 1978: ASCS County Executive Director. Administered ASCS farm programs in Scott County, Virginia.

March 1978–March 1981: Personnel Division, ASCS, Washington, DC. Developed agency Senior Management Seminar.

March 1981–March 1983: Staff Assistant, Southeast Area Office of ASCS. Supervised administration of all ASCS programs for 11 Southeast states and Caribbean area.

March 1983–March 1985: Deputy Director, Southeast Area Office of ASCS. Supervised financial and personnel matters for southeast area. Including 3,500 employees and \$102 million budget.

November 1985–June 1987: Schedule C Director for Southeast Area Office of ASCS. Administered ASCS farm programs.

June 1987–May 1989: Lobbyist, National Cotton Council of America. Promoted interest of all seven segments of the cotton industry.

7. Military Service: None.

8. Government Service:

Position	Date	Grade	Type of appointment
ASCS County Executive Director Training Program	June 1974–Dec. 1974	GS-7	Career.
ASCS County Executive Director	Dec. 1974–Mar. 1978	GS-11	Career.
ASCS Washington, DC, Specialist, Personnel Division	Mar. 1978–Mar. 1981	GM-13	Career.
ASCS Southeast Area Office, Staff Assistant, Deputy Director	Mar. 1981–Nov. 1985	GM-14	Career.

Position	Date	Grade	Type of appointment
ASCS Southeast Area Office Director	Nov. 1985-June 1987	GM-15	"Schedule C"

9. Honors/Awards: Graduated 25th in class of 625, 3.59 GPA out of 4.0.

10. Memberships: Republican Party of Virginia, Vice-Chairman for Off Campus Affairs for Ferrum College.

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private sector employers, business firms, associations, and/or organizations?

Yes.

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, incompleting contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers.

None.

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)

No.

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc. during the past 5 years.)

No.

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Farmers Home Administration? (If yes, give details of any such loan activity during the past 5 years.)

No.

6. Have you, or any partnership or closely held corporation in which you have an interest, ever received payments for crop losses from the Federal Crop Insurance program? (If yes, give details.)

No.

7. If confirmed, do you have any plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or without compensation, during your service with the government? (If so, explain.)

No.

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government service? (If yes, give details.)

No.

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.)

No.

10. Identify all investments, obligations, liabilities, or other relationships which involve potential conflicts of interest in the position to which you have been nominated.

None.

11. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

No potential conflicts of interest.

CHARLES E. HESS

BIOGRAPHICAL INFORMATION (PUBLIC)

1. Full name (include any former names used): Charles E. Hess.

2. Address: List current place of residence and office address(es). List all office and home telephone numbers where you may be reached.

Residence: 3104 Beacon Bay Place, Davis, CA 95616, 916-758-9746.

Office: Dean's Office, College of Agricultural and Environmental Sciences, University of California, 228 Mrak Hall, Davis, CA 95616, 916-752-1605.

3. *Date and place of birth*: December 20, 1931; Mountain View, NJ.

4. *Marital Status* (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business address(es): Eva L. Goldschmidt (maiden); Eva G. Carroad, Medical Student, School of Medicine, University of California, Davis, CA.

5. *Education*: List each college and graduate or professional school you have attended, including dates of attendance, degrees received, and dates degrees were granted.

Rutgers University, New Brunswick NJ—9/49-6/53; *B.Sci.* June 1953.

Cornell University, Ithaca, NY—7/53-6/54; *M.Sci.* June 1954.

Cornell University, Ithaca, NY—7/54-11/56; *Ph.D.* June 1957.

Senior Executive Education Program, Federal Executive Institute, Charlottesville, Virginia, 5/15/77-7/1/77; Certificate July 1977.

6. *Employment Record*: List (by year) all business or professional corporations, companies, firms, or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor, or employee since graduation from college; include a title and brief job description.

University of California, Davis. Dean, College of Agricultural and Environmental Sciences. Director of Programs, Division of Agriculture and Natural Resources, California Agricultural Experiment Station and Cooperative Extension Service. January 1, 1988 to present.

Administrative responsibility for the academic and research programs of the College including 41 majors and 33 academic departments, divisions and research groups. There are 4,827 undergraduate students, 1,141 graduate students supported by an instructional budget of \$23.7 million.

University of California, Davis, Dean, College of Agricultural and Environmental Sciences. Associate Director, California Agricultural Experiment Station. July 1975 to December 1987.

Administrative responsibility for the academic and research programs of the College and the research programs of the California Agricultural Experiment Station.

Rutgers University, New Brunswick, New Jersey. Dean, Cook College and Director of the New Jersey Agricultural Experiment Station. July 1972 to June 1975.

Served as the first Dean of Cook College and developed the concept, academic programs and administrative structure of the College.

Rutgers University, New Brunswick, New Jersey. Acting Dean, College of Agriculture and Environmental Sciences and Director of the New Jersey Agricultural Experiment Station. July 1971 to July 1972.

Rutgers University, New Brunswick New Jersey. Associate Dean, College of Agriculture and Environmental Sciences and Director of the New Jersey Agricultural Experiment Station. January 1971 to July 1971.

Rutgers University, New Brunswick, New Jersey. Research Professor and Chair of the Department of Horticulture and Forestry. September 1966 to January 1971.

Purdue University, West Lafayette, Indiana. Department of Horticulture. December 1958 to August 1966.

Assistant Professor 1958.

Associate Professor 1962.

Professor 1965.

7. *Military Service*: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and type of discharge received.

November 1956 to November 1958, U.S. Army Chemical Corps; First Lieutenant, Serial No. 04 014 870, Honorable Discharge.

8. *Government Service*: State (chronologically your government service or public offices you have held, including the terms of service, grade levels and whether such positions were elected or appointed.

Presidential appointment to the National Science Board (National Science Foundation), 1982-1988. Member of the Executive Committee 1983-1988; Vice Chairman of the Board 1984-1988.

9. *Honors and Awards*: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee.

Honors:

Phi Beta Kappa—1953.

Graduated from Rutgers University with High Honors—1953.

Fellow American Association for the Advancement of Science—1972.

Fellow, American Society for Horticultural Science—1970.

Honorary Doctoral Degree, Purdue University—1983.

Awards:

USDA Award for Distinguished Service, 1988.

George Hammell Cook—Distinguished Service Award, Cook-CAES Alumni Association of Rutgers University, 1985.

Communicator of the Year, Town and Gown, Toastmasters, Davis, CA, 1984.

George H. Cook Memorial Award from the Cook College Board of Managers in recognition of the development of Cook College and leadership as Dean and Director, 1975.

Thomas A. Weston Trophy from the New York Florists' Club, 1971.

Jackson Dawson Memorial Medal from the Massachusetts Horticultural Society, 1971.

Kenneth Post Award in 1967 and 1969 for research papers published in the Proceedings of the American Society for Horticultural Science.

Norman J. Colman Award from the American Association of Nurserymen, 1967.

International Plant Propagators Society Award of Merit, 1963.

Selected as one of the five "Most Popular Professors" by the students of Purdue University, 1960.

Cited in Who's Who in America, Who's Who in Government, Outstanding Young Men in America, and American Men of Science.

10. *Other Memberships:* List all organizations to which you belong, excluding religious organizations.

American Association for Advancement of Science.

American Society for Horticultural Science.

International Plant Propagators Society.

11. *Published Writings:* List all titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include on this list published materials on which you are listed as the principal editor. It would be helpful to the Committee if you could provide one copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past 5 years on issues involving agriculture, nutrition, forestry or commodity futures policy or related matters.

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Hess, C.E., and J.P. Nitsch. 1956. A preliminary study of auxins and inhibitors in cuttings easy and difficult to root. Abstracts of paper presented for *American Society for Horticultural Science*, Storrs, Connecticut.

Hess, C.E. 1957. A physiological analysis of rooting in cuttings of juvenile and mature *Hedera helix* L. *Ph.D. Thesis*, Cornell University, Ithaca, N.Y.

Hess, C.E. 1959. A study of plant growth substances in easy- and difficult-to-root cuttings. *Proceedings of the Plant Propagators' Society*, Ninth Annual Meeting, pp. 39-45.

Hess, C.E. 1959. A comparison between the quick dip and powder methods of growth substances application to cuttings. *Proceedings of the Plant Propagators' Society*, Ninth Annual Meeting, pp. 45-46.

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5/8/84—Testimony to House Committee on Science, Space, and Technology—Research Infrastructure in U.S. Universities in my role as Vice Chair of the National Science Board.

6/21/84—Testimony before the House Select Committee on Hunger—Role of International Agricultural Development Programs in Reducing World Hunger.

6/28/84—Assembly Committee on Economic Development and New Technologies. Role of Biotechnology in Agriculture (Testimony at this Committee laid the foundation for the funding of the UC Biotechnology Program.)

8/6/84—Plenary address to the Annual Meeting of the American Society for Horticultural Science and the Canadian Society for Horticultural Science. Title: *Biotechnology: Implications for Horticulture and Society*.

11/13/84—National Association of State Universities and Land-Grant Colleges—Freedom of Inquiry—An Endangered Species.

12/12/84—American Society of Agricultural Engineers, New Orleans—Cooperation Without Conflict of Interest.

1/9/85—Agricultural Engineering Distinguished Lecturer Series—Texas A&M. Social Implications of Mechanization Research.

3/19/85—Plant Breeding Research Forum, Des Moines, Iowa. Structuring the University to Bring Biotechnologists and Plant Breeders Together.

6/18/85—The Technology of Food Abundance and the Promise of the New Biotechnologies. University Summer Forum—University of Wisconsin-Madison "Technology in U.S. Agriculture: Its Performance, Problems, and Promise."

12/11/85—Crop Productivity-Research Imperatives Revisited. "Past, Present and Future of Agricultural Research." Conference in Airlie House, Virginia.

4/12/86—Sigma Xi Centennial Celebration, Cornell University, Ithaca, New York. *Agricultural Research: Past Accomplishments-Future Directions*.

10/15/86—School of Agriculture and Life Sciences 1986 Administrative Retreat, North Carolina University. Interdisciplinary/Interdepartmental programs. Opportunities and Challenges.

2/17/87—Batelle Endowment for Technology and Human Affairs Lecture, Ohio State University. "Agricultural Technology and Society."

4/1/87—National Academy of Sciences Workshop in Czechoslovakia. Agricultural and Environmental Research: Near-Term and Long-Term Research Priorities. (I was the U.S. Team Leader.)

8/24/87—State Water Resources Control Board. Testimony on the Importance of Agriculture to the State and Nation and the Development of Irrigation in the State of California.

3/27/88—INIFAP Conference—Agricultural Research Opportunities. Agricultural Research and Education: Setting Research Priorities. Guadalajara, Mexico.

10/12/88—North Central Administrative Symposium. Teaching and Research Priorities for the 90's and How to Fund Them. Chicago, Illinois.

12. *Health*: What is the present state of your health? Excellent.

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private sector employers, business firms, associations, and/or organizations?

I will be on a leave of absence without pay from the University of California, Davis.

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, incompleting contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers.

None.

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)

No.

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc. during the past 5 years.)

No.

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Farmers Home Administration? (If yes, give details of any such loan activity during the past 5 years.)

No.

6. Have you, or any partnership or closely held corporation in which you have an interest, ever received payments for crop losses from the Federal Crop Insurance program? (If yes, give details.)

No.

7. If confirmed, do you have any plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or without compensation, during your service with the government? (If so, explain.)

No.

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government service? (If yes, give details.)

Yes, I will be on a leave of absence without pay from the University of California, Davis.

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.)

No.

10. Identify all investments, obligations, liabilities, or other relationships which involve potential conflicts of interest in the position to which you have been nominated.

None.

11. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

I have written the attached letter to the Honorable Frank Q. Nebeker, Director of the Office of Governmental Ethics, to resolve any potential conflict of interest with the University of California and will resign as a Trustee of BIOSIS.

UNIVERSITY OF CALIFORNIA, DAVIS,
Davis, California, April 21, 1989.

Honorable FRANK Q. NEBEKER,
Director, Office of Governmental Ethics, Washington, DC.

DEAR MR. NEBEKER: The purpose of this letter is to detail the steps I intend to take in order to assure that no conflict of interest will exist between my personal financial interests and the duties I will perform if confirmed to serve as Assistant Secretary of Agriculture for Science and Education.

I have served as Dean of the College of Agricultural and Environmental Sciences at the University of California, Davis, California since July, 1975 and as Associate Director of the California Agricultural Experiment Station from 1975 to 1987 and as Director of Programs since 1988. In addition, I have served as a member of the National Science Board of the National Science Foundation from 1982 until 1988.

While serving as Assistant Secretary of Agriculture for Science and Education, I will be on a leave of absence without pay from the University of California. Since I will retain my tenured status and thus a continuing financial relationship with the University, I intend to recuse myself from all particular matters which may arise within the Department of Agriculture during my tenure which may involve or affect the University of California.

I have also served as a trustee of Biosciences Information Service (BIOSIS), a private educational and publishing enterprise headquartered in Philadelphia, Pennsylvania. I pledge to resign from my position as a trustee, upon my confirmation to serve as Assistant Secretary of Agriculture.

I believe that these steps will serve to assure that no actual or apparent conflict of interest will arise between my personal financial interests and the duties I will perform if confirmed to serve as Assistant Secretary of Agriculture for Science and Education.

Sincerely yours,

CHARLES E. HESS,
Dean.

QUESTIONS FROM CHAIRMAN LEAHY

Question 1. When I asked what biotechnology risk assessment research program the Department should undertake to better evaluate trees, and animals into the environment, you responded that guidelines would be sent to the Biotechnology Safety Coordinating Committee this week. I assume that the guidelines you refer to are for the Agricultural Biotechnology Research Advisory Committee [ABRAC]. The ABRAC was organized to advise on the safety of agricultural biotechnology research experiments. While I am glad to see that the ABRAC is finally getting underway, I am talking about something different.

The unforeseen consequences of deliberate release into the environment of certain bioengineered organisms may prove devastating. Let me give you a couple of examples of what I mean by risk assessment research. While most transgenic crop plants do not pose a direct risk to the environment, there is considerable concern that transgenic crops will pollinate related wild plants. If a crop's wild relative is a weed, acquired herbicide resistance could make the weed more difficult to control. Would you support research efforts to develop range maps for the wild relatives of all crop plants commonly cultivated in the United States and research to establish where gene transfer between crop plants might occur as the USDA-sponsored 1987 Boyce Thompson Workshop concluded in the report *Regulatory Considerations: Genetically-Engineered Plants*? Does it make sense to earmark at least 1 percent of all USDA biotechnology research funds for this sort of risk assessment research?

Answer. I would support research to establish in what crops gene transfer may occur to wild relatives and then develop range maps for wild relatives of these cultivated crop plants. I would have some degree of reservation about earmarking a given percentage of funds, but I am supportive of research in this area.

Question 2. In response to my question as to whether you would oppose agency-funded research that promotes increased chemical usage—and I used the example of research on atrazine-resistant crops—you answered no and illustrated your position using the example of glyphosate-resistant crops. Glyphosate does not present the magnitude of environmental concerns that atrazine does in terms of its toxicity and its tendency to contaminate ground water. I would like to followup and ask whether you would oppose any Federal dollars from being spent on development of atrazine-resistant crops specifically and other similar research that would likely result in greater use of environmentally harmful chemicals?

Answer. I would oppose use of Federal dollars if the research objective was to increase the use of environmentally harmful chemicals in general and specifically the development of herbicide resistance. However, if the research was to determine the mode of action of a chemical known to be environmentally harmful so that other chemical structures should be designed that would be environmentally safe, I would use Federal dollars to support that research.

Question 3. Please comment on the relative success of the Low Input Sustainable Agriculture program mandated by the Congress in the 1985 farm bill. Do you feel this is an important program? Would you recommend funding the program in the future?

We've heard some people say that the Department really needs to do 10 years of research in order to determine how to best protect water resources from agricultural production. Others argue that we need to get available technologies and manage-

ment practices out to the farmer today. Where do you fit in this difference of opinions?

Answer. I really don't think it will take 10 years to get the initial research results. The combined Soil Conservation Service and Extension Service program is designed to get assistant farmers now on risk management. That program will incorporate emerging research results as soon as they are available. From my perspective at a land-grant university, the Low Input Sustainable Agriculture program has been successful in attracting scientists to conduct research in sustainable agriculture. It is too early to determine the impact of the research, but I am optimistic. It is an important program and I would support funding the program in the future.

Question 4. Agricultural research has been level-funded for many years. The National Research Council is working on an initiative that will call for \$500 million new dollars to be invested in competitive research grants in agriculture. Would you, as Assistant Secretary, support such an initiative?

Answer. I am supportive of the initiative being worked on by the National Research Council.

QUESTIONS FROM SENATOR CONRAD

Question 1. I am concerned that we are not attracting enough new scientists to conduct their graduate work in the agricultural research disciplines, in part because this areas is viewed as less prestigious and because Federal funding is limited. Do you plan on proposing any initiatives which will attract young, new scientists into agricultural research programs?

Answer. Attracting young new scientists into agricultural research is a high priority. Programs such as the National Needs Fellowship Program and the Agriculture in the Classroom Program are important first steps. The National Research Council's proposed National Initiative for Agricultural and Environmental Research would also facilitate the attraction of new scientists into agricultural research.

Question 2. I am a strong advocate of interdisciplinary research, such as the collaboration of applied agricultural researchers and fundamental scientists. There is a method of interdisciplinary research called the systems approach which combines not just the biological sciences disciplines, but the social science disciplines such as economics and sociology. You briefly mentioned this method in your testimony before the Committee. The system approach looks at a research problem on several related levels, such as the field level, crop level and farm level. It involves the user of the research results, and the research design may include such issues as environmental impact, rural development and profitability. What are your views on the importance of the systems approach? Do you plan to encourage the use of this approach by researchers through USDA research programs? If so, how? Would a portion of the funding requested through the National Initiative for Agricultural Research proposal be used solely for projects which use the systems approach?

Answer. I feel that a multidisciplinary or systems approach to agricultural research is essential to solve the complex problems facing agriculture. In the speeches I submitted to the Committee, I included discussions of how interactions among the disciplines can be achieved. The proposed National Initiative for Agricultural and Environmental Research would contain funding specifically for multidisciplinary or a systems approach to research.

QUESTIONS FROM SENATOR LUGAR

Question 1. There is a growing concern about the international competitiveness of U.S. value-added food products. Are you supporting any research that would help maintain a viable food processing industry in the United States? Do you think that the budget should include funds for research in this area? Do you think that USDA should be doing more to educate our trading partners on the benefits of U.S. value-added commodities?

Answer. I am supportive of research that would help maintain a viable food processing industry in the United States. While at the University of California, I helped establish one of the National Dairy Products Research Centers. It is my understanding that the Department is supportive of developing new and improved products as well as nonfood, nonfeed products from agricultural commodities. As part of any marketing program, it makes good sense to educate our trading partners on the benefits of U.S. value-added commodities.

Question 2. USDA's Cooperative State Research Service's Competitive grants budget specifically lists: Animal Science and Plant Science. However, there is no line item for food or food science research. Do you think that more attention is needed in these areas, and, if so, would you consider a separate line item in the budget for this?

Answer. Although I am reluctant to see a research budget too highly earmarked since it is desirable to fund the best quality research, I am very supportive of funding food or food science research. More attention is needed in this area. I will consider the development of appropriate line items within the Science and Education budget.

Question 3. By paying so little attention to food science research, the process by which most raw agricultural products become consumer products, it appears that agriculture may be heading down the same path that was so painful to our automotive, steel, and electronic industries. Should we not give more attention to research in such areas as food engineering, food safety, nutrition and acceptability in world wide markets?

Answer. We should give more attention to research in food engineering, food safety, nutrition, and acceptability. As I told the Committee, these topics will have my high priority. However, we also need to help create an incentive in which the new technology is adopted. Part of the problem is the "take over" environment in which U.S. industry is operating, which discourages investments for the future, including research, development, and investing in new technology. We are aware that the food products industry is changing rapidly. Health, convenience, novelty, and luxury demands are propelling the industry toward new opportunities. There are increasing demands for freshness, nutrition, and "natural" ingredients.

Question 4. I understand there are numerous research needs and job opportunities for people trained in food sciences. Do you think USDA should play a larger role in stimulating the education of such people so they can help us capitalize on our tremendous food resources?

Answer. I feel that one of the great challenges we face is to encourage young men and women to go into careers in the agricultural and environmental sciences, including food science. The National Needs Fellowship Program is a good first step. The Agriculture in the Classroom program is also making good progress in developing agricultural literacy at an early age. I will explore ways to increase our efforts to achieve this important goal.

QUESTIONS FROM SENATOR HARKIN

Question 1. As you know, I have been most interested in increasing the emphasis of USDA research and development efforts toward finding new nonfood, nonfiber products from agricultural materials. I believe that we should be aiming our efforts at both modifying plants and at postharvest plant material modifications.

I feel that this is one of the most, if not the most productive area for improving the growth of our market for agricultural commodities. In the last Congress, I introduced S. 970 which passed the Senate concerning this issue.

What are your views concerning the present level of emphasis in USDA toward research in this area and what percentage of total USDA research this area of emphasis should account for? What are your views concerning the balance between fundamental, applied and development research in this area?

What are your specific views concerning S. 970? What changes would you make in that legislation?

Answer. I have not had the opportunity to determine the level and/or percentage of the USDA research budget devoted to new nonfood, nonfiber product research. In my opening statement, I indicated that I believe it should be a high priority in our research agenda. There should be a balanced program between the Department and the private sector with the Department concentrating on the fundamental and applied components of the research spectrum and the private sector conducting a substantial part of the developmental research since there are often proprietary components in developmental research. I will study S. 970 after confirmation and will suggest changes, if any, in consultation with my agency heads.

Question 2. The Special Research Grants Program concentrates on problems of national and local interest beyond the normal emphasis in the formula programs. What are your views concerning the Special Research Grants Program? What changes, if any, would you make in the implementation of that program?

Answer. The Special Research Grants Program often deals with issues of a highly specific, local nature. I would want to ensure that State and commodity funding for

the programs has been exhaustively explored before Federal funds are used. I also believe that the quality of the proposed research should be determined by appropriate peer review. As for any changes, I would prefer more emphasis on national needs as opposed to State-specific problems.

Question 3. In the past, comments that you have made indicate that you are opposed to Congress taking the initiative and directing money to specific areas of research. What alternative do you recommend for the development of our national agricultural research facilities base?

If Congress were to continue to direct funding for specific purposes in the same manner that they have in the past, what changes, if any, would you undertake in the implementation of those congressional actions?

Answer. I recognize that there is a partnership between Congress and the Department in the funding of research, each playing a very vital role. My concern is that once Congress has determined the funding of research on a competitive basis in a particular area of research, such as biotechnology, then the allocation of the grants in that particular area should be done by a merit review process that establishes who is the best possible person(s) to conduct that research.

Question 4. What plans do you have for the implementation of a competitively based equipment and facilities modernization program in USDA?

Answer. As I have mentioned in my opening statement to the Committee, I feel that improvement in equipment and facilities is essential to conduct the research needed to solve the many challenges facing agriculture today as well as being able to attract young men and women in careers in agricultural science, teaching and extension. The National Research Council's proposal for a National Initiative in Agricultural and Environmental Research would contain funding for equipment and facilities.

Question 5. I understand that the State of California has a policy regarding conflict of interest and faculty researchers. How do you view the conflict of interest issues in regard to faculty researchers in agricultural areas and in a related vein do you feel there is any conflict of interest issues associated with your maintaining your ties to the University of California? Please list the actions that you intend to take to eliminate possible conflicts in this area.

Answer. The policy that we developed for the University of California requires prior approval before a faculty member enters a consulting relationship with the private sector. Each case is evaluated on its individual merits. In general, consultation is viewed as a valuable part of a faculty member's responsibility to help more rapid transfer of new technology to the users and to keep faculty exposed to the real world. However, we wish to avoid cases in which there could be a conflict of interest and assure that University resources are properly used.

I have provided the Committee with a letter stating that I will recuse myself from participating in matters arising within the Department affecting or directly involving the University of California.

Question 6. Some believe that the University of California system of agricultural research has been oriented toward the interests of the largest farm operations. What are your views on this point?

Answer. I feel that the University of California system has a very balanced program to address the needs of all farm operations. Much of the research and extension work we do is not related to size such as the development of disease resistant varieties of crops, the development of integrated pest management programs, the development of new crops or crop products or our Sustainable Agricultural and Research and Extension Program. We also have on the Davis Campus programs specifically designed for smaller operations such as the Small Farm Information Access Center.

Question 7. I understand that you are a leading advocate of the \$500 million "National Initiative for Agricultural Research" that is currently being discussed. What have been your views concerning this proposal? How do you believe that it would impact the current structure of agricultural research programs in USDA if it became law? What would be the effect on the ARS and on CSRS?

Answer. I am supportive of the National Research Council's National Initiative for Agricultural and Environmental Research. I feel it is essential that we increase the investment being made in research in addition to reallocating resources to high priority areas of research. I am beginning discussions with the agency heads of ARS, CSRS, and Extension to determine what impact the proposed program would have in each area if the program became law.

Question 8. What is your impression of the effectiveness of the Experiment Station System?

Answer. I believe the Experiment Station System is one of the finest in the world but, like any organization, can always be improved. For example, I would like to promote closer working relationships between Cooperative Extension and research.

Question 9. What are the responsibilities of agricultural researchers in the experiment system in dealing with issues associated with family farming and smaller units of agricultural production?

Answer. One of the high priorities is the economic viability and quality of life in our rural communities. This can only be accomplished if our family farms and small units of production are provided with the tools to be competitive and the information to facilitate the implementation of the latest technology and the marketing of their products. Therefore, researchers in the experiment stations have a key role to achieve these goals.

Question 10. Around the country there are more than 20 agriculturally oriented biotechnology research facilities either in existence or under development. Agricultural research is moving in the direction of linking traditional agriculture with molecular level research. What are your views concerning the assistance toward or facilitation of this process? More specifically, how can the Department of Agriculture help the States link their significant investment in agricultural biotechnology programs with their experiment stations' research programs?

Answer. As you may know, I chaired the National Research Council Committee that produced the report "Agricultural Biotechnologies: Strategies for National Competitiveness." I feel it is essential that the new tools provided by biotechnology are used to address the serious challenges facing U.S. agriculture. One way of assisting the facilitation of the process is the establishment of centers that bring together the university and the private sector. The Department participated in a program with NSF and the Department of Energy to establish such centers. I would like to see such a joint effort continue, as well as supporting such programs as the National Initiative discussed above.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, May 31, 1989.

Honorable PATRICK J. LEAHY,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: In response to your request during my confirmation hearings on May 17, I am pleased to enclose a progress report on the Department's Low-Input/Sustainable Agriculture research and education program.

The report concludes that while low-input practices are not a panacea, many farmers do have opportunities to farm profitably in ways that will protect the environment, conserve resources, and assure us of safe food. I am encouraged by the progress made so far in the LISA program to help identify those opportunities and to provide farmers with reliable and practical information on their farming options.

It is encouraging as well to see teams of scientists, educators, and other professionals working closely with farmers and others in the private sector to develop and conduct LISA projects. The program not only complements but also can be a favorable influence on the Department's total research and education.

I am optimistic about the future benefits of this new program and look forward to working with you and the committee to ensure those benefits.

Sincerely,

CHARLES E. HESS,
Assistant Secretary,
Science and Education.

Enclosure.

[May 19, 1989]

EARLY RESULTS OF THE LISA PROGRAM¹

OVERVIEW

USDA's research and education grants program known as LISA (Low-Input/Sustainable Agriculture) responds to an emerging interest by many farmers for a more cost-effective and environmentally benign agriculture. There is growing public concern about ground water contamination, pesticide residue in foods, high cost of modern-day agriculture, soil health, and lack of crop diversity for wildlife habitat. LISA research and education projects are designed to help farmers substitute management, scientific information, and on-farm resources for some of the purchased inputs they currently depend on for their farming enterprises.

The LISA program has also responded to a congressional mandate to involve a broader spectrum of the agricultural community in administering the program and carrying out the projects. Innovative methods are being used to enable scientists, educators and farmers to work as teams in selecting projects to be funded, setting research goals, designing and implementing the projects, and devising strategies to ensure that the findings are made readily usable to producers and other audiences.

The program is administered through host institutions in four regions—University of Vermont for the Northeast, University of Nebraska for the North Central, University of Georgia for the Southern, and University of California for the Western region, as described in the enclosed brochure. LISA project proposals are reviewed in each region by committees that include farmers, State Experiment Station researchers, educators in Cooperative Extension Service, Soil Conservation Service personnel, Agricultural Research Service scientists, and others.

Scores of farmers who are successfully using low-input/sustainable farming methods of pest control and soil fertility management have become actively involved as members of project teams in preparing LISA project proposals. On-farm experiments are being designed and carried out by these project teams, using scientific methods for setting up treatment plots and measuring the outcomes such as crop yields, soil conditions, and the populations of pests and their natural enemies. These on-farm studies are essential to the success of the program, in that they bring together the findings obtained from laboratory and experiment station research. Together these studies are beginning to provide the reliable, scientific information a farmer must have to design a profitable strategy for reducing the farm's dependence on certain kinds of off-farm inputs.

Even though the LISA program has received a total of only \$8.35 million for its first 2 years of operation, an amazingly large and diverse array of scientists, educators, farmers, and other interested persons in the public and private sectors have already become actively involved. And despite the short time it has been in existence—15 months—meaningful results are becoming evident. Early findings from some of these LISA projects are summarized later in this report. Additional findings from other research and examples of commercial-scale farms that are successfully using low-input methods are presented to further illustrate the kinds of outcomes anticipated through the LISA program.

GENESIS OF THE LISA PROGRAM

The LISA program was created in response to the 1985 Food Security Act, Subtitle C—Agriculture Productivity Research. In 1986 USDA policymakers began having discussions with farmers and other proponents of farming systems having reduced reliance on synthetic chemicals and other off-farm purchased inputs. They visited the Rodale Research Center near Emmaus, Pennsylvania, and toured Dick and Sharon Thompson's farm near Boone, Iowa. They attended a conference of interested scientists, farmers, foundations, and public agencies in Racine, Wisconsin, and held informal discussions with many experts and practitioners of various low-input alternative farming methods.

The policymakers found farmers were looking for ways to increase their net returns while reducing risks and achieving greater compatibility between environmental and production goals. They also found that a handful of dedicated researchers in the universities and in the private sector were already studying scientific components essential to the success of these low-input farming systems, despite ex-

¹ Prepared by J. Patrick Madden and Paul O'Connell, Special Projects and Program Systems, Cooperative State Research Service, U.S. Department of Agriculture, Washington, DC.

tremely limited funding. It became abundantly clear that Federal funding was urgently needed to support private and public research and educational efforts to enhance the productivity and profitability of low-input farming methods and systems.

Throughout 1987, congressional contacts were established and hearings were held on this important subject. Because of widespread public concern about ground water contamination and human health risk associated with pesticides and nitrate fertilizers, this initiative was strongly supported by several Members of Congress. Consequently the program received its initial \$3.9 million appropriation in December of 1987. In January of 1988, the Secretary of Agriculture issued a memorandum establishing Departmental policy regarding alternative (now termed low-input/sustainable) farming systems:

The Department encourages research and education programs and activities that provide farmers with a wide choice of cost effective farming systems including systems that minimize or optimize the use of purchased inputs and that minimize environmental hazards. The Department also encourages efforts to expand the use of such systems.

The LISA program has been organized and directed by CSRS with the full cooperation of Extension Service and participation by various other USDA agencies, especially Soil Conservation Service, Agricultural Research Service, and the National Agricultural Library. The program has unfolded very rapidly. Whereas it normally takes at least 12 to 18 months to establish a new Federal program of this kind, in just 6 months a set of administrative guidelines were developed, technical committees and administrative councils were formed in each of the four regions, hundreds of project proposals were submitted and reviewed, and the first round of projects were approved for funding. These projects encompass a wide range of subject matter germane to low-input/sustainable agriculture, as indicated in the enclosed list of projects funded in 1988.

The LISA program has also proven to be responsive to the congressional intent regarding involvement of a wide range of public and private organizations. Specifically, the program has meaningful involvement of farmers, interdisciplinary cooperation in research activities, functional integration of research and extension, and a significant share of funds has been allocated to 13 private research and education organizations.

A total of 371 projects were submitted to the four regional host institutions. The review committees determined that 130 of these proposals were acceptable in terms of relevance to the goals of LISA, appropriate methods, and feasible plans for making the findings readily usable to farmers. Of these 130 acceptable projects, the best 53 were selected for funding. Several similar proposals were combined to form a total of 49 projects. If more funding had been available, an additional 77 projects would have been funded. The total cost of fully funding the 130 acceptable proposals in 1988 would have been \$16.6 million—roughly five times the amount available.

In fiscal year 1989, Congress appropriated \$4.45 million for LISA, a 14 percent increase over 1988. The North Central and Western regions will complete their project selections by June. The Northeast and Southern regions have each approved eight new projects and have renewed funding for five of last year's projects. If more funding had been available, an additional 31 projects would have been funded in these two regions, for a total of \$8.7 million, including projects that were funded. Thus, the shortfall of funding to support all acceptable LISA proposals is running about the same level as last year, about five-fold.

Most of the LISA projects funded are long-term studies requiring several years development and replication before scientifically meaningful results can be obtained. A few of the LISA projects have added to on-going studies, by providing resources for additional treatments, more measurements of soil and biological attributes, economic evaluation, and more effective means of getting the findings out to farmers. Other projects are of a short-term nature, such as preparation of videotapes demonstrating methods like ridge tillage and composting, preparation of computer software, or other approaches for presenting already known findings and forthcoming results in ways that will be readily usable to farmers and other clientele. Findings of some of these projects are summarized briefly here.

FIELD CROPS PRODUCTION

The farm press has begun featuring stories of farmers who are successfully using low-input methods. For example, the December 1988 issue of *Farm Journal* carried an article, "Taking the Low Road," which describes two of these farmers, Don Elston of Ohio and Joe Federer of Indiana. Joe said his move to low-input methods was motivated by his concern about possible effects of chemicals on human health. Using practices such as crop rotations, cover crops, cultivation, and rotary hoeing,

these farmers have reduced their fertilizer costs by \$17 and \$34 per acre, respectively.

Farmer awareness of low-input opportunities is also increased by hands-on experience. Thousands of farmers each year attend field days on farms with demonstration plots comparing low-input and conventional methods. For example, during 1988 some 900 visitors to Dick and Sharon Thompson's farm saw side-by-side comparisons of conventional and low-input farming practices. Methods such as ridge tillage, legume-based rotations, and an integrated crop-livestock system produced the highest oat yield in Story County, Iowa—142 bushels per acre. Their corn and soybean yields were 27 and 17 bushels above county averages, respectively. The methods used by the Thompsons result in substantial reductions in cost and soil erosion as compared with conventional farming practices in their area.

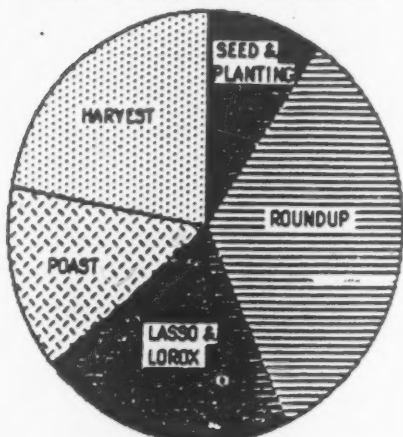
Several projects funded by the LISA program are providing a scientific basis for understanding the productivity of low-input systems. For example, experimental plots comparing conventional and low-input crop rotations were started by Larry King in 1986 at North Carolina State University. With LISA funding, his study was expanded to include several additional disciplines. The additional tests and treatments including investigation of weed management strategies such as allelopathy, a natural weed control; soil moisture relations; soil insects, nematodes, and microbiology; cycling of nitrogen, carbon, and phosphorus; economics and extension. Three years of yield data (1986-88) have been submitted in their first progress report. All 3 years were characterized as summer droughts. Johnsongrass infestation was extraordinarily heavy because of the drought, all crop yields were below normal. The lowest corn yields were found in plots where this crop had been produced continuously. Somewhat higher yields were found in the low-input plots, but the highest corn yields were obtained using the conventional (pesticide-based) crop rotations.

Costs and net returns from corn, soybeans, grain sorghum and wheat were calculated for each treatment for 1986 and 1987. Net returns were higher in virtually all the low-input plots than in the conventional plots. Because of the drought, the net returns for most of the enterprises were negative, as shown in the pie charts. The size of the circles represents the production cost. Conventional management in this experiment is no-till production, with heavy reliance on herbicides. Low-input methods rely primarily on crop rotations and mechanical cultivation for weed control, and on legumes for nitrogen. The chart for corn shows that the production cost on the conventional plots in 1987 was \$218 per acre; the low-input methods required only \$128. Because yields were so low, the conventional corn plots incurred a net loss of \$171 per acre, compared with a net loss of \$95 in the low-input plots. The most dramatic contrast was in soybeans during 1986. The net return from the conventional soybean plots averaged a loss of \$26, compared with a *profit* of \$47 per acre under low-input management. As additional years of data are accumulated, this study will provide increasingly definitive conclusions regarding the profits and risks of low-input farming methods in this part of the Northern Plains.

[Charts by Larry D. King follow:]

SOYBEAN

CONVENTIONAL MANAGEMENT



COST / RETURN (\$ per acre)
\$167/-826

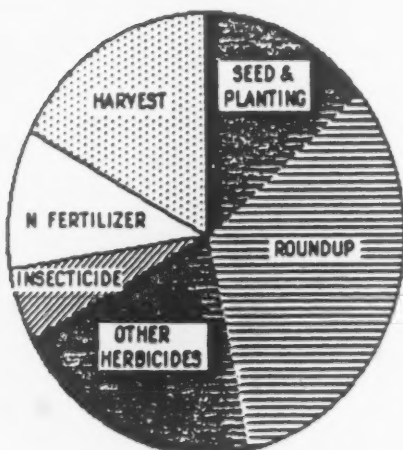
LOW-INPUT MANAGEMENT



ROUNDUP
\$74 / \$47

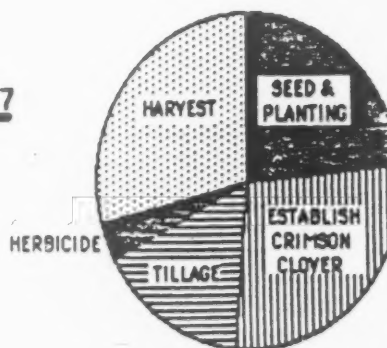
1986

CORN



\$218 / -8171

1987



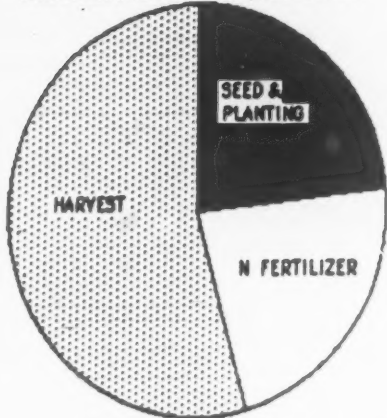
HERBICIDE
\$128 / -895

Source: King, Larry D. "Low-Input Cropping System Experiment" Dept. of Soils, North Carolina State University, Raleigh, NC., First annual progress report on LISA project, January 1989. 13 pages.

28-020 002

WHEAT

CONVENTIONAL MANAGEMENT



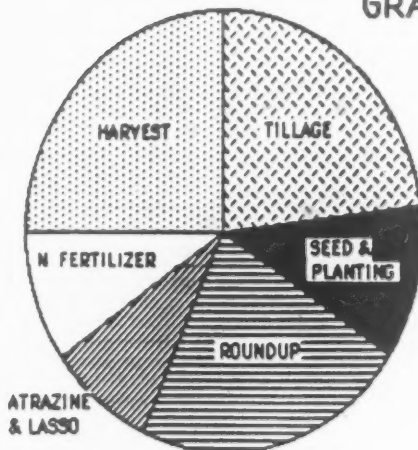
COST / RETURN, (\$ per acre)
\$67 / \$27

LOW-INPUT MANAGEMENT



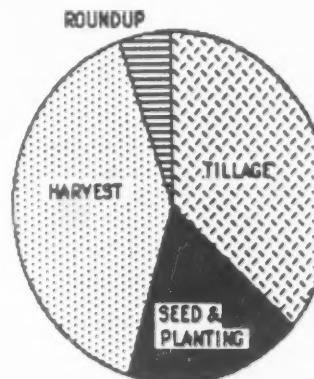
\$52 / \$41

GRAIN SORGHUM



\$148 / -\$95

1987



\$95 / -\$59

The Spray Brothers farm in Ohio is 720 acres with a beef herd of 40 to 50 head. They have used no herbicides, lime or fertilizers on their farm since 1971. Nonetheless, their crop yields are above county averages: corn, 32 percent above average; soybeans, 40 percent; wheat, 5 percent; oats, 22 percent. Clover hay yield is 6 tons per acre (no county average for comparison). The Sprays receive premium "organic" prices for most of their crops and some of the beef.

Another illustration is the Sabot Hill farm near Richmond, Virginia, operated by Sandy Fisher. The farm is 3,480 acres, half of which is forest. They have about 500 head of beef cattle. Over the years, his major problem in production of corn and soybeans, his primary cash crops, has been the tendency of johnsongrass to take over several of his fields. A number of years ago this weed began exhibiting resistance to herbicides, therefore requiring higher costs for chemical weed control, but with decreasing effectiveness. Fisher shifted from chemical control to a cultural practice of overseeding his johnsongrass-infested fields with legumes. After harvesting hay crops from these fields for 2 or 3 years, he finds that the johnsongrass becomes depleted, so he can resume planting row crops without using herbicides. As a result of this change in practices, his herbicide cost has been reduced by \$20,000 per year, and he is now achieving better control of the weeds.

A team of scientists at South Dakota State University started a crop rotation study in 1985 comparing conventional and low-input crop rotations. The conventional options being tested in this on-going study include a choice of ridge tillage or minimum tillage, with farming systems typical of two locations, the Watertown and Madison areas (Dobbs and Mends). When this study became a LISA project in 1988, the scope of investigations was expanded to include whole-farm studies on several cooperating farmers, biological control of pests, nutrient cycling, and soil properties. Economists on the project team have adapted the experimental findings from the first 3 years experimentation to develop preliminary estimates of the net returns that would be earned by a typical 640-acre family farm of 540 tillable acres.

During the drought of 1988, the only systems tested in this South Dakota study that were estimated to earn a profit were the low-input systems. The low-input farming system for the Watertown area was estimated to earn a profit of about \$4,900, using a crop rotation of oats, alfalfa, soybeans, and Spring wheat. The simulated farms in this area using a conventional rotation (corn, soybeans, and Spring wheat) with chemical pesticides and conventional tillage, incurred a net loss of about \$23,000 and \$25,000, respectively—a difference of about \$30,000 compared with the low-input system. The differences in earnings were much smaller for the Madison area. The low-input system for this area was estimated to break even, while the minimum tillage and conventional systems lost about \$15,000.

Another study in South Dakota has devised an improved method for control of corn rootworm. Corn rootworm control constitutes one of the largest single insecticide markets in U.S. agriculture. During 1988, insecticide was applied to about 35 percent of the corn acreage in the 10 Corn Belt States, representing a total of 18.7 million acres (Economic Research Service, 1989). Farmers typically apply a granular insecticide, usually an organophosphate, at planting time. This granular material is vulnerable to movement by wind and water erosion, possibly posing a significant risk to ground water and surface water. Scientists estimate this material kills only about 50 percent of the corn rootworm larvae, which is the stage of the pest that does the major damage to the roots of the corn plants (Sutter, personal correspondence). In midsummer, an aerial spray of insecticide is often applied to control the surviving adult corn rootworms. While this spray is highly effective in killing corn rootworm adults, it also kills beneficial species including natural enemies of various pests, thus causing secondary infestations.

In an effort to reduce the environmental impact and protect water quality risk associated with control of corn rootworm, Agricultural Research Service scientists Lance and Sutter (1989) in South Dakota have devised a bait that is a starch crystal containing about two teaspoons per acre of an insecticide, carbaryl. While this is only about 2 percent of the normal dosage, tests in the laboratory and in field cages under controlled conditions have found that the bait kills up to 94 percent of the adult corn rootworms, with no harm to nontarget species. The bait contains two kinds of semiochemicals (behavioral modification chemicals). The first is an attractant that lures the adult corn rootworms (both males and females) to find the starch granules scattered about the field. The second semiochemical is a feeding stimulant made from a bitter herb that is delicious to the corn rootworm but repugnant to most nontarget species such as birds. Plans are now being developed for a full-scale field test of the bait under actual farming conditions in several States.

FRUIT PRODUCTION

As part of a multi-State LISA project, scientists at Cornell (Dennehy et al., 1989) have successfully tested a nonpesticide method of reducing the population of a major pest of grapes (the grape berry moth, GBM) by using pheromone (sex hormone) devices to disrupt the mating behavior of adult males. Test plots of grapes have been established on several farms, including seven vineyards in 1988. "Twisties" that emit a pheromone are attached to selected vines. In comparison plots, the conventional practice of spraying insecticide two to four times per season was followed by the farmers. The pheromone treatment suppressed GBM populations below the economic threshold of damage in virtually all plots over a 4-year period, providing results not significantly different from the chemically treated plots. The added advantage of the pheromone treatment in comparison to the use of chemical pesticides is that it does not decimate populations of beneficial species, including natural enemies of pests. While these results are very encouraging, the scientists caution that more years of testing is required under a wide range of conditions before the efficacy of this method can be established.

Steven Pavich and Sons, with 2,200 acres of vineyard in California and Arizona, produces over 30 million pounds of fresh table grapes a year, or about 2.4 percent of the Nation's total production. While 85 percent of their acreage is certified for organic production under California law, only about 40 percent of their grapes are sold under the Pavich brand name, meaning they are "organically grown" and Nutriclean certified as pesticide free. The Pavichs apply about 8,000 tons of composted steer manure as the main source of soil nutrients. They have not sprayed any synthetic chemical pesticide in any of their vineyards since 1986. That year a newly purchased vineyard in transition was sprayed once. Their major strategy for pest control is to maintain a ground cover of native weeds, grasses, and legumes between the rows to provide a habitat and food source for natural enemies of the pests.

Experiments being conducted at a University of Georgia experimental farm are comparing three methods of controlling fungus disease in peaches: organic, low-input, and conventional (Hendrix et al., 1989). The organic treatment, designed in consultation with Georgia Organic Growers Association, relies on sulfur dust to control fungus diseases and various natural materials such as rotenone, ryania and pyrethrum to control insects. The conventional treatment consisted of spraying the entire orchard with synthetic chemical fungicide and insecticide; the low-input option was spraying alternate rows rather than every row. Brown rot was controlled equally well with all three treatments. Control of two other pests (catfacing insects and curculio) was slightly less efficacious in the organic treatment, with differences ranging from 2 to 5 percent. The low-input (alternate row) method of spraying provided slightly better efficacy than conventional spraying to control a very heavy infestation of plum curculio and a moderate population of plant bugs.

In another portion of this study, apple orchard scouting techniques proved ineffective in reducing sprays for two fungus diseases, sooty blotch and fly speck. Spraying every 2 weeks (5 applications) between May 15 and August 1 was ineffective in preventing these diseases. However, a post-harvest method of removing fungus from the fruit was found to be very effective: 15 minutes soaking in bleach (0.0525 percent sodium hypochlorite). These results suggest that fungicide use could be replaced by post-harvest application of a rather harmless substance to the fruit.

In experimental plots of strawberries near Lubbock, Texas, scientists are comparing conventional chemical fumigation of the soil versus solarization to control nematode pest populations and weeds (Patten et al., 1989). Solarization is a process of covering the soil with two layers of polyethylene separated by a dead air space, and allowing the Sun to heat the soil to kill pests. Nematode populations were reduced 85-90 percent by solarization, compared with 90-95 percent control by chemical fumigation. Similar experiments in eastern Texas found no significant differences in nematode populations between solarization and fumigation treatments. Weeds (yellow nutsedge) were most effectively suppressed by solarization.

CONCLUSIONS

What many farmers are finding is that when they adopt low-input methods, including careful management, gross returns decrease slightly, but net returns increase. For example, in a study of Illinois farmers covering 11 years (1976 to 1986) Robert Hornbaker found that farmers using the highest amounts of purchased inputs per acre harvested more bushels but earned less profit per acre compared with farmers using less input per acre. The study examined data from a sample of 161 farms drawn from the University of Illinois farm records system. The farms were ranked according to their per acre expenditures for commercial fertilizers and

agricultural chemicals, and the top one-fourth of the farms in this ranking were considered the "high-input" group. The quartile of farms having the lowest expenditure per acre are the "low-input" group. In 8 of the 11 years of his study Hornbaker found the high-input group's net income per acre was significantly less than that of the rest of the farms. On average during the 11-year period, the high-input group received \$37 per acre more gross income than the low-input group, a difference of 11 percent. But their net income per acre was \$29 less, a difference of 17.6 percent.

Many other examples could be cited, but these cases illustrate the kinds of technologies being developed and tested under the LISA program. Certainly not all low-input methods being tested are proving to be effective or profitable, but in general the outlook is optimistic. Particularly encouraging is the fact that a large and growing number of scientists and educators in universities, extension, as well as farmers and others in the private sector are forming project teams to design and carry out studies to develop and test low-input farming methods.

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CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 12, 1989.

The Honorable PATRICK J. LEAHY,
*Chairman, Senate Committee on Agriculture, Nutrition, and Forestry, Russell Senate
Office Building, Washington, DC.*

DEAR MR. CHAIRMAN: I deeply regret that I cannot be here with you today to introduce Dr. Charles Edward Hess, who has been nominated to serve as Assistant Secretary of Agriculture for Science and Education. Unfortunately, I have other commitments which require that I be in my congressional district. Had these commitments not existed, please be assured that I would be here today to present to you Dr. Hess, a good friend, a constituent and an exceptionally qualified individual to serve in the U.S. Department of Agriculture.

Since 1975, Dr. Hess has served as the Dean of the College of Agriculture and Environmental Science at the University of California at Davis and Associate Director of the California Agricultural Experiment Station. More recently, on January 1, 1988, Dr. Hess assumed the additional post of Director of Programs, Division of Ag-

riculture and Natural Resources, for the California Agricultural Experiment Station and the Cooperative Extension Service.

Dr. Hess began his career with the Department of Horticulture at Purdue University in 1958. He later became Research Professor and Chair of the Department of Horticulture and Forestry at Rutgers University in New Brunswick, New Jersey. After serving as both Associate Dean and Acting Dean of the College of Agriculture and Environmental Sciences at Rutgers, in 1972, Dr. Hess became the first Dean of Cook College at Rutgers. From 1971 to 1975, he was also Director of the New Jersey Agriculture Experiment Station.

Dr. Hess has been recognized for his outstanding accomplishments on numerous occasions. In 1933, Dr. Hess received an honorary doctoral degree from Purdue. He has been honored as a fellow in the American Association for the Advancement of Science and in the American Society for Horticultural Science, and, in 1988, he received a USDA Award for Distinguished Service.

From 1982 through 1988, Dr. Hess served as a Presidential appointee to the National Science Board, and, in 1987, Secretary Lyng appointed Dr. Hess to serve as co-chair of the Joint Council on Food and Agriculture Sciences. Dr. Hess was also selected to chair the National Research Council committee to develop a National Strategy for Biotechnology in Agriculture. And, Dr. Hess has traveled extensively as an adviser and consultant on agricultural matters.

Clearly, Dr. Hess is exceptionally well qualified to head the research, cooperative extension and education programs of the Department of Agriculture. Although I know that Dr. Hess will be greatly missed in California, I can say without reservation that he will be an outstanding addition to the Department of Agriculture and this administration.

Again, I regret not being able to be with you today, and I appreciate the opportunity to convey my strong support for the nomination of Dr. Hess

Sincerely,

VIC FAZIO,
Member of Congress.

ALAN CHARLES RAUL

BIOGRAPHICAL INFORMATION (PUBLIC)

1. Full name (include any former names used).
A. Alan Charles Raul.
2. Address: List current place of residence and office address(es). List all office and home telephone numbers where you may be reached.
A. Residence—2909 N Street, NW., Washington, DC 20007; tel. 202-338-4223.
Office—Room 262, OEOB, Washington, DC 20503; tel. 202-395-5044.
3. Date and place of birth.
A. September 9, 1954, Bronx, New York.
4. Marital Status (include maiden name of wife or husband's name). List spouse's occupation, employer's name, and business address(es).
A. Married to Mary Tinsley, Assistant U.S. Trade Representative-designate, Winder Bldg., Washington, D.C.
5. Education: List each college and graduate or professional school you have attended, including dates of attendance, degrees received, and dates degrees were granted.
A. Harvard College—1972 to 1975—A.B. 1975.
Harvard University, Kennedy School of Government—1975 to 1977—M.P.A. 1977.
Columbia University School of Law—1977 to 1978.
Yale Law School—1978 to 1980—J.D. 1980.
6. Employment Record: List (by year) all business or professional corporations, companies, firms, or other enterprises, partnerships, institutions, and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner proprietor, or employee since graduation from college; include a title and a brief job description.
A. Summer 1976—Legal Assistant, Peter Eikenberry, Esq., New York, New York.
Summer 1977—Research Associate for Professor Roger Fisher, Harvard Law School.
Summer 1978—Summer Associate—Lord, Day & Lord.
Summer, 1979—Summer Associate—Sullivan & Cromwell.
1980-1981—Law Clerk to Hon. Malcolm R. Wilkey, U.S. Court of Appeals for the D.C. Circuit.

1981-1986—Associate—Debevoise & Plimpton: litigation and corporate practice.

1986-1988—Associate Counsel to the President—the White House: review of and advice regarding legal issues in matters of concern to the President or White House staff.

1988-present—General Counsel—Office of Management and Budget: legal advice and counsel to OMB Director and Senior Staff on legislation, agency regulations, budgetary issues, litigation, and ethical and personnel matters; primary responsibility for the preparation and coordination of Executive Orders.

7. Military Service: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number, and type of discharge received.

A. No.

8. Government Service: State (chronologically) your government service or public offices you have held, including the terms of service, grade levels and whether such positions were elected or appointed.

A. Law Clerk to Hon. Malcolm R. Wilkey—1980-81—GS-11; appointed.

Associate Counsel to the President—1986-88; salary administratively determined; appointed.

General Counsel of OMB—1988-89—SES-6; appointed.

9. Honors and Awards: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee.

A. None.

10. Other Memberships: List all organizations to which you belong, excluding religious organizations.

A. Harvard Club of New York City; Westin Fitness Club; Yale Club of Washington; Harvard Club of Washington; American Society of International Law; Spanish Institute; American Bar Association; Association of the Bar of the City of New York; and Federalist Society.

11. Published Writings: List the titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include on this list published materials on which you are listed as the principal editor. It would be helpful to the Committee if you could provide one copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past 5 years on issues involving agriculture, nutrition, forestry, or commodity futures policy or related matters.

A. "The Drug-Free Workplace Act of 1988" (remarks made before the Law and Justice Committee of the National Conference of State Legislatures, Washington, D.C., December 1, 1988);

"Regulating the Regulators" (paper presented at the U.S.-U.S.S.R. Legal Seminar Panel on the U.S. Regulatory Process, Moscow, September, 1988);

"New 'Insider Trading' Act Fails to Define Liability," by Ralph C. Ferrara and Alan Charles Raul (article in *New York Law Journal*, December 10, 1984).

Letter to the Editor, *the Washington Post* (Friday, March 24, 1989).

12. Health: What is the present state of your health?

A. Excellent.

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private-sector employers, business firms, associations, and/or organizations?

A. Yes.

2. List sources, amounts, and dates of all anticipated receipts from deferred income arrangements, stock options, incompleting contracts, and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers.

A. None.

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size, and type of operation.)

A. No.

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc., during the past 5 years.)

A. No.

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Farmers Home Administration? (If yes, give details of any such loan activity during the past 5 years.)

A. No.

6. Have you, or any partnership or closely held corporation in which you have an interest, ever received payments for crop losses from the Federal Crop Insurance program? (If yes, give details.)

A. No.

7. If confirmed, do you have any plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or without compensation, during your service with the government? (If so, explain.)

A. No.

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government service? (If yes, give details.)

A. No.

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.)

A. No.

10. Identify all investments, obligations, liabilities, or other relationships which involve potential conflicts of interest in the position to which you have been nominated.

A. None.

11. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

A. To the best of my knowledge and belief, I have no such conflicts. If any were to arise, I would divest, recuse myself, or take such other appropriate action to resolve the conflict.

JO ANN D. SMITH

BIOGRAPHICAL INFORMATION (PUBLIC)

1. *Full name* (include any former names used). Jo Ann Ruth Doke Smith.

2. *Address*: List current place of residence and office address(es). List all office and home telephone numbers where you may be reached.

Residence: Route 1, Box 350, Micanopy, Florida 32667.

Phones: (904) 466-3438 and (904) 466-4345.

Office: Route 1, Box 350, Micanopy, Florida 32667.

3. *Date and place of birth*. May 9, 1939, Gainesville, Florida.

4. *Marital Status* (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business address(es).

Married: Cedrick Milton Smith.

Occupation: Ranching and General Building Construction, Real Estate.

Employed: Self.

Address: 106 NE. 6th Avenue, Williston, Florida 32696.

Phone: (904) 528-4438.

5. *Education*: List each college and graduate or professional school you have attended, including dates of attendance, degrees received, and dates degrees were granted. None beyond high school.

6. *Employment Record*: List (by year) all business or professional corporations, companies, firms, or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor, or employee since graduation from college; include a title and brief job description.

Employment Status: Self-employed, family farming, ranching and construction businesses;

1957-1962—Bookkeeper, Smith Brothers (farming and ranching operation);

1962-1982—Office Manager, Smith Brothers, Smith Construction Company; and

1982-1983—Consultant, Public Relations, White Meat Packers, Inc., Ocala, Florida (operation closed).

7. *Military Service*: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and type of discharge received. None.

8. *Government Service*: State (chronologically) your government service or public offices you have held, including the terms of service, grade levels and whether such positions were elected or appointed. None.

9. *Honors and Awards*: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee. 10/86-89—Alpha Zeta Honorary Agricultural Fraternity, Indianapolis, Indiana USA.

10. *Other Memberships*: List all organizations to which you belong, excluding religious organizations.

6/57-73—Marion County Farm Bureau, Ocala, FL USA; 6/73-89—Levy County Farm Bureau, Bronson, FL USA; 6/57-89—American/Florida Farm Bureau Federation, Gainesville, FL USA; 1/85-89—Florida Women's Alliance, Tallahassee, FL USA; 1/85-89—Gainesville Women's Forum, Gainesville, FL USA; 1986-89—Florida Agriculture Museum, Director, Tallahassee, FL USA; 1981-87—Florida Department of Agriculture and Consumer Services, Advisory Council; 1981-87—Florida Department of Agriculture and Consumer Services, Plant Advisory Council Member; 1982-86—National Live Stock and Meat Board, Director; 1975-88—Livestock Merchandising Institute, Trustec, 1981-83—Livestock Merchandising Institute, Governor; 8/86-89—Cattlemen's Beef Promotion and Research Board Chairman, 1986-88; Operation and Executive Committee Member Operation Committee, 1988-89; 1/84-86—Federal Reserve Bank, Jacksonville Branch, Chairman, 1986; Vice Chairman, 1985; 1/86-88—Board of Governors, Chicago Mercantile Exchange; 8/85-87—President Reagan's U.S. Advisory Committee for Trade Negotiations; 1/84-86—Governors (Florida) Task Force on "Future of Florida Agriculture"; 1978-80—USDA Animal Technical Advisory Committee on Livestock and Livestock Products; 1979—USDA Meat Pricing Task Force; 1979-81—USDA Foreign Animal Disease Advisory Committee on Livestock and Livestock Products; 1983-89—Florida 4-H Foundation, Director; 1989, President; 1987-88, Vice President; 1972-89—National Cattlemen's Association, President, 1985; President-Elect, 1984; Vice President, 1983; Regional Vice President, 1982, Denver, CO USA; 1963-89—Florida Cattlewomen, President, 1963-88; Vice President, 1964-66, Kissimmee, FL USA; 1963-89—National Cattlewomen, Vice President, 1971, Denver, CO USA; 1963-89—Marion County Cattlewomen, President, 1964-66, Ocala, FL USA; 1957-89—Marion County and Florida Cattlemen, Kissimmee, FL USA; 1/88-89—Marion County/Ocala Chamber of Commerce, Director, Ocala, FL USA; 1966-68—Florida Beef Council; 1986-89—Florida Beef Council; 1985-89—PRIDE Industries Board, Cattle Advisory Committee, State of Florida; 1987-89—University of Florida, College of Veterinary Medicine Advisory Committee; 1985-88—University of Florida, Board of Overseers, Health Science Center; 1982-85—National Cattlemen's Political Action Committee; and 1982-83—Public Relations Director, White Meat Packers.

11. *Published Writings*: List the titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include on this list published materials on which you are listed as the principal editor. It would be helpful to the Committee if you could provide one copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past 5 years on issues involving agriculture, nutrition, forestry or commodity futures policy or related matters. None.

12. *Health*: What is the present state of your health? Excellent health condition.

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private sector employers, business firms, associations, and/or organizations? I am prepared to sever all connections with private sector business and organizations upon confirmation.

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, incompleting contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers. No anticipated receipts are expected.

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)

Farm and ranch owned and operated by Cedrick M. Smith, Jr., husband.

Approximately 5,000 acres of pasture, timber, and woodlands are owned and rented by Mr. Smith. Presently, the sole proprietorship has about 500 head of cattle

and is growing planted pine timber. Grass pasture and hay is also produced on the operation. The operation is located in Marion, Levy, and Alachua Counties in north central Florida.

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc. during the past 5 years.) After 1976, we have not participated in commodity price support programs, we have not participated in any program during the past 5 years.

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Farmers Home Administration? (If yes, give details of any such loan activity during the past 5 years.) No.

6. Have you, or any partnership or closely held corporation in which you have an interest, ever received payments for crop losses from the Federal Crop Insurance program? (If yes, give details.) No.

7. If confirmed, do you have any plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or without compensation, during your service with the government? (If so, explain.) No.

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government service? (If yes, give details.) No.

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.) No.

10. Identify all investments, obligations, liabilities, or other relationships which involve potential conflicts of interest in the position to which you have been nominated.

Cattlemen's Beef Promotion Research Board; Florida Beef Council; Florida 4-H Foundation; University of Florida, College of Veterinary Medicine Advisory Committee; PRIDE Industries of Florida; National Cattlemen's Association; Florida and National Cattlemen—Marion County; Levy & American Farm Bureau Federation; Florida Agriculture Museum; and Smith Brothers (C.M. Smith, Jr.) Farming and Ranching.

11. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. I will resign from the Boards and organizations that might constitute a conflict of interest. I will not participate in the family farming and ranching operation and take no financial support from that entity. The membership in the Farm Bureau is a family membership. I would need to maintain this for insurance purposes.

STATEMENT OF SENATOR CONNIE MACK—SENATE COMMITTEE ON AGRICULTURE, NOMINATION OF JO ANN D. SMITH TO BE U.S. DEPARTMENT OF AGRICULTURE ASSISTANT SECRETARY FOR MARKETING AND INSPECTION

Mr. Chairman, I would like to indicate my support for Jo Ann Smith to be confirmed as Assistant Secretary for Marketing and Inspection at the U.S. Department of Agriculture.

Ms. Smith comes to the Department of Agriculture with a wealth of solid experience in agriculture. She served with distinction as the first woman president of the National Cattlemen's Association, as Chairman of the Cattlemen's Beef Promotion and Research Board and on the Executive Committee of the National Cattlemen's Association. In addition, Ms. Smith served on President Reagan's Advisory Committee for Trade Negotiations and on the Board of Governor's of the Chicago Mercantile Board of Trade. She also spent 2 years as the Chairman of the Board of the Federal Reserve Bank in Jacksonville, Florida.

With her background both in business and agriculture, Ms. Smith will be a true asset to the Department of Agriculture. Coming from a State with highly diversified agriculture, Ms. Smith has a keen understanding of all agricultural areas. As a prominent member of the Florida agriculture community, Ms. Smith was dedicated and hardworking. I have confidence that she will bring this dedication and motivation to the Department of Agriculture. I fully support Jo Ann Smith as Assistant Secretary of Marketing and Inspection and I hope that the committee will swiftly confirm her appointment.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, April 5, 1989.

Chairman PATRICK J. LEAHY,
Committee on Agriculture, Nutrition, and Forestry, Washington, DC.

DEAR CHAIRMAN LEAHY: As you near confirmation hearings on Jo Ann Doke Smith for the position of Assistant Secretary of Marketing and Inspection Services for the Department of Agriculture, let me take this opportunity to advise you of my personal support and that of many of my colleagues in the Florida Delegation.

Jo Ann is a most impressive individual who has met each challenge in her life with honesty, integrity and success. Certainly, these personal qualities combined with her professional strengths will contribute greatly to the responsibilities she will be assuming.

She is a unique individual whose hands-on experience has taught her the intricacies of agriculture and its programs. Jo Ann is respected and admired by her colleagues and has a strong record of leadership.

I recommend Jo Ann's confirmation as Assistant Secretary and appreciate the courtesy and consideration of the Agriculture Committee on her behalf.

Sincerely,

TOM LEWIS,
Member of Congress.

TESTIMONY OF THE HONORABLE TOM LEWIS OF FLORIDA

Mr. Chairman, let me take this opportunity to advise you of my personal support and that of many of my colleagues in the Florida Delegation on behalf of Jo Ann Doke Smith for the position of Assistant Secretary of Marketing and Inspection Services for the Department of Agriculture.

I had the opportunity to work with Jo Ann during the formulation of the 1985 farm bill. Her competence and intelligence were instrumental in achieving the many compromises that were sought and resolved throughout that difficult process.

During her tenure as President of the National Cattlemen's Association, Jo Ann has coordinated matters in the areas of diet and health, consumer relations, marketing, promotion, inspection, research, animal health issues, tax matters, transportation and labor, and foreign trade. She has been successful in working with U.S. trade officials to expand the U.S.-Japan beef trade.

As a member of the Governor's Task Force on the Future of Florida Agriculture, Jo Ann assisted in developing a blueprint for programs and funding to be used by the Florida Legislature in regard to the \$5 billion agriculture industry. Those issues included plant and animal health control, water, environmental and trade issues.

Jo Ann's professional experience and national appointments are indicative of her credentials and abilities. She has tackled and mastered many difficult issues and has the ability to resolve problems by building a base of support. She has proved to many skeptics through the years that she can do the job. Jo Ann is respected and admired by her colleagues and has a strong record of leadership.

Personally, Jo Ann has been a friend for many years. She is a most impressive individual who has met each challenge in her life with honesty, integrity and the ability to succeed. Certainly, these personal qualities combined with her professional strengths make her an excellent choice for service in this administration.

I urge Jo Ann's swift confirmation as Assistant Secretary of Marketing and Inspection Services and appreciate the courtesy and consideration of the Agriculture Committee on her behalf.

Again, Mr. Chairman, thank you.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 11, 1989.

JO ANN SMITH,
Acting Assistant Secretary for Marketing and Inspection, U.S. Department of Agriculture, Washington, DC.

DEAR JO ANN: Thank you so much for kindly requesting me to speak on your behalf during your confirmation hearing before the Senate Committee on Agriculture. I appreciate your confidence in me.

It is with regret that I write to inform you that I will be unable to attend your confirmation hearing Friday morning due to previous, long-standing, commitments in central Florida. However, I want to take this opportunity to wish you the very best. I'm sure the Senate Agriculture Committee members will be impressed with your background and expertise in agriculture.

Once again, Jo Ann, congratulations, good luck and may God bless you. I look forward to working with you in the months ahead.

Sincerely,

CLIFF STEARNS,
Member of Congress.

STATEMENT OF THE AMERICAN MEAT INSTITUTE ON THE CONFIRMATION OF JO ANN DOKE SMITH TO BE ASSISTANT SECRETARY OF AGRICULTURE FOR MARKETING AND INSPECTION SERVICES

Mr. Chairman, the American Meat Institute is pleased to submit our comments on the qualifications of Jo Ann Doke Smith to become the Assistant Secretary for Marketing and Inspection Services at the U.S. Department of Agriculture.

We applaud and endorse Secretary Yeutter's selection of Mrs. Smith to be the next Assistant Secretary for Marketing and Inspection Services. We believe she is unquestionably qualified to fill this important position.

Mrs. Smith brings a truly diversified background to this strategic agricultural position. She is a successful businesswoman who has owned and operated a family farming operation, she has served as the President of the National Cattlemen's Association, chaired the Cattlemen's Beef Promotion and Research Board, served as Chairman of the Board of the Federal Reserve Bank in Jacksonville, Florida, and been on the Board of Governors of the Chicago Mercantile Board of Trade. She brings a remarkable background to this office.

As an agricultural producer and businesswoman, she brings a balanced understanding of both sides of critical issues facing the livestock sector. In her role as chairperson of the Beef Promotion and Research Board, she demonstrated her keen ability to balance the needs of producers with the consuming public's overall interests. We know Mrs. Smith to be tough, fair, and willing to listen to varied opinions on extremely difficult issues. We had many opportunities to work with her on issues of mutual concern during her presidency of the NCA. Even on issues where our viewpoints diverged, we were still able to work constructively with her.

We hope the Committee will favorably recommend Mrs. Smith to the full Senate and urge her speedy confirmation. Thank you Mr. Chairman for giving us this opportunity to present AMI's views.

QUESTION NO. 1 FROM SENATOR CONRAD

As former chairman of the Subcommittee on Agricultural Research and General Legislation, I have a deep interest in the Federal Grain Inspection Service's role in grain quality.

Question (a). Do you think that the United States needs to improve the quality of its grain?

Answer. Improving product quality and customer satisfaction is important to any successful industry. The recent OTA report on U.S. grain stated, "... grain quality has become an extremely important competitive factor." The U.S. grain industry from producer to exporter recognizes this very important fact. This is evidenced by the industry sponsored Grain Quality Workshop held approximately every 6 months. Representatives from the grain industry including breeders, producers, grain handlers, millers, processors, academia, and USDA are committed to improving grain quality. Further, this commitment to improving grain quality is not only at the national level. Local producer groups and other members of the grain industry continue to address this issue.

Under the guidelines of the Grain Quality Improvement Act of 1986, the USDA has and continues to support efforts to improve grain quality.

Question (b). What do you think are the primary factors within our production and marketing system which adversely affect grain quality?

Answer. The recent OTA report on U.S. grain emphasizes the fact that improving the quality of U.S. grain is a complicated issue involving the interrelationship and complexity of plant varieties, agronomics, environment, handling practices, end-use

preferences, marketing and government policies. I agree with these findings and recognize that a system-wide approach must be taken to improve quality effectively.

Question (c). What role do you think the Federal Government should play in improving grain quality?

Answer. The Grain Quality Improvement Act and recent OTA report on U.S. grain provide the basic framework for Federal activities in this area. The Federal Government must first of all ensure that its policies and programs promote and do not hamper quality improvement efforts. Our task is to encourage research to develop better and safer ways to control weeds and insects in order to improve grain cleanliness. We should also develop analytical tests to measure rapidly such intrinsic grain qualities as protein and oil content, so that the marketplace can use these attributes as quality incentives. Efforts to improve these intrinsic grain qualities may affect yield, and incentives to minimize grain breakage or to clean grain may reduce grain handling efficiency. Faced by these sometimes conflicting objectives, the Federal Government has the difficult dual role of promoting and marketing a large volume of grain, while also improving grain quality.

Question (d). What role do you think the Federal Grain Inspection Service should play in improving grain quality?

Answer. The Federal Grain Inspection Service should continue to assist in the improvement of grain quality under the direction set forth by the Grain Quality Improvement Act of 1986. Specifically, that the U.S. grain standards should: define uniform and acceptable descriptive terms to facilitate trade in grain; provide information to aid in determining grain storability; offer users of such standards the best possible information from which to determine end-product yield and quality of grain; and provide the framework necessary for markets to establish grain quality improvement incentives.

FGIS has, in the past few years, spent considerable resources in developing quick, reliable tests that would measure the intrinsic qualities of grain. Wheat protein and sunflower oil measurements are currently available. Soybean protein and oil measurements are proposed to be available in September 1989. Also currently available under the Agricultural Marketing Act of 1946 is a test for sprout damage in wheat. Research currently under way includes measuring breakage susceptibility, protein, starch and oil in corn; determining the presence of toxins and chemical residues in grain; and developing a test for odors in all grains.

QUESTION NO. 2 FROM SENATOR CONRAD

The Grain Quality Improvement Act of 1986 expanded FGIS's mission to include promoting the marketing of high quality grain and certifying the quality of grain as accurately as possible.

Question (a). Do you think that FGIS should play a role in promoting U.S. grain as well as inspecting it?

Answer. Although FGIS does not, and should not, have a direct marketing role such as the Foreign Agricultural Service, FGIS does provide an important support function in the area of grain marketing. FGIS provides the marketplace with accurate, reliable inspection and weighing results. In addition, FGIS provides educational assistance throughout the market, participates in both domestic and overseas collaborative studies, meets with visiting foreign trade teams, and provides a framework for commodity quality improvement.

Question (b). Will you support the increased development of end-use value tests that FGIS could make available to grain buyers?

Answer. Yes. FGIS has surveyed the end users of U.S. grain and developed a comprehensive list of end-use value tests. A high priority has been put on providing these tests and introducing new technologies to measure grain quality. Research currently in progress includes measuring breakage susceptibility, protein, starch and oil in corn; determining the presence of toxins and chemical residues in grain; and developing a test for odors in all grains.

QUESTION NO. 3 FROM SENATOR CONRAD

Under the reorganization of the Animal and Plant Health Inspection Service, the funding for implementation of the Animal Welfare Act will go to the newly created Regulatory Enforcement and Animal Care Division. However, the Veterinary Services (VS) Division will still be responsible for animal disease surveillance and prevention.

Question. What kind of internal auditing provisions are in place to assure that adequate funding is available for the VS Division for animal disease surveillance and prevention?

Answer. In establishing a basis for the allocation of funds among the various program entities under the new organizational structure, it is my understanding that APHIS used work plans which had been developed prior to the reorganization. At the same time, an overriding principle of the restructuring was that funds would not be reduced from field operations to support the new headquarters structure. APHIS has reviewed those plans during the course of this year to ensure there has been no reduction in financial or personnel support for VS field activities in either of the areas you mentioned due to the reorganization. I will examine this situation again prior to making allocations for FY 1990 and as part of the FY 1991 budget development process to ensure adequate resources are available for these program activities commensurate with our appropriations.

QUESTION NO. 4 FROM SENATOR CONRAD

In November 1989, the USDA Office of the Inspector General (OIG) issued a report that detailed a serious breakdown of food safety inspection procedures. The factors which contributed to this breakdown included lack of communication between the Food Safety Inspection Service (FSIS) and the Environmental Protection Agency on various drug and pesticide tolerance levels, insufficient and inaccurate testing of both fresh and processed meats, and finally, FSIS's inability to quickly and effectively hold or recall adulterated meats.

In its response to the report, FSIS claimed that it had no jurisdiction over farms of origin and that this has hampered its enforcement abilities. The establishment of a pilot program to test and certify swine herds as sulfamethazine-free was a step toward preventing residue contaminated meat from being marketed.

Question. What programs or other steps would you propose to resolve the jurisdictional obstacles to addressing the problem of residue contaminated meats?

Answer. I would start by expanding the swine herd pilot program you mentioned to include other species and emphasizing the producer role in preventing residue contamination. Trace back capability for all other relevant species would make it possible to identify the source of residue violations.

I would also encourage stronger agreements between producers and FSIS on the proper use of drugs from farm to slaughter, as well as supporting expansion of its education programs for producers to focus on their responsibility to prevent residue problems.

FSIS would also urge stronger regulation of treated seed for livestock or poultry use to prevent problems such as the heptachlor outbreak in Arkansas.

The keys to solving residue problems are education and greater understanding between governmental agencies. FSIS has a Memorandum of Understanding in place with EPA and FDA on residue control and with APHIS on residue testing and farm investigations. I will press for the continued development of the Residue Violation Information System (RVIS) which shares FSIS and FDA domestic residue case data and charts followup information. I will continue to expand on this important inter-governmental relationship capability.

QUESTION FROM SENATOR KOHL

While the Food and Drug Administration has required content labeling of cheese on frozen cheeses pizzas, USDA has to date not required similar labeling on frozen meat and cheeses pizzas.

Question. Would you be willing, as Assistant Secretary for Marketing and Inspection Services, to administratively implement a requirement that cheese content be labeled on frozen meat and cheese pizzas?

If not, would you please explain why?

Answer. There has been a long history to this issue. As I understand the differences between the two agencies' policies, FDA requires that cheese pizzas be made with real cheese unless the manufacturer prominently discloses the use of cheese substitutes on the principal display panel of the label. USDA does not require this kind of labeling if the cheese plus cheese substitute portion of the product contains at least 10 percent real cheese. Neither agency requires the cheese content to be specified on the label. Both agencies require all ingredients used to formulate the products to be listed in the ingredients statement on the label.

I am not convinced that prominent disclosure of an ingredient in the principal display panel of a label is of value to consumers unless the use of the ingredient alters the basic characteristics of the product. This has been the rationale USDA has followed with a view that the meat characterizes the product much more than the cheese. Therefore, a product labeled "pepperoni pizza" must be made with pepperoni that meets USDA standards. Although there may be more to this issue than

I am currently aware, at this time I believe that USDA's labeling scheme for meat topped pizzas containing cheese substitutes is appropriate.

